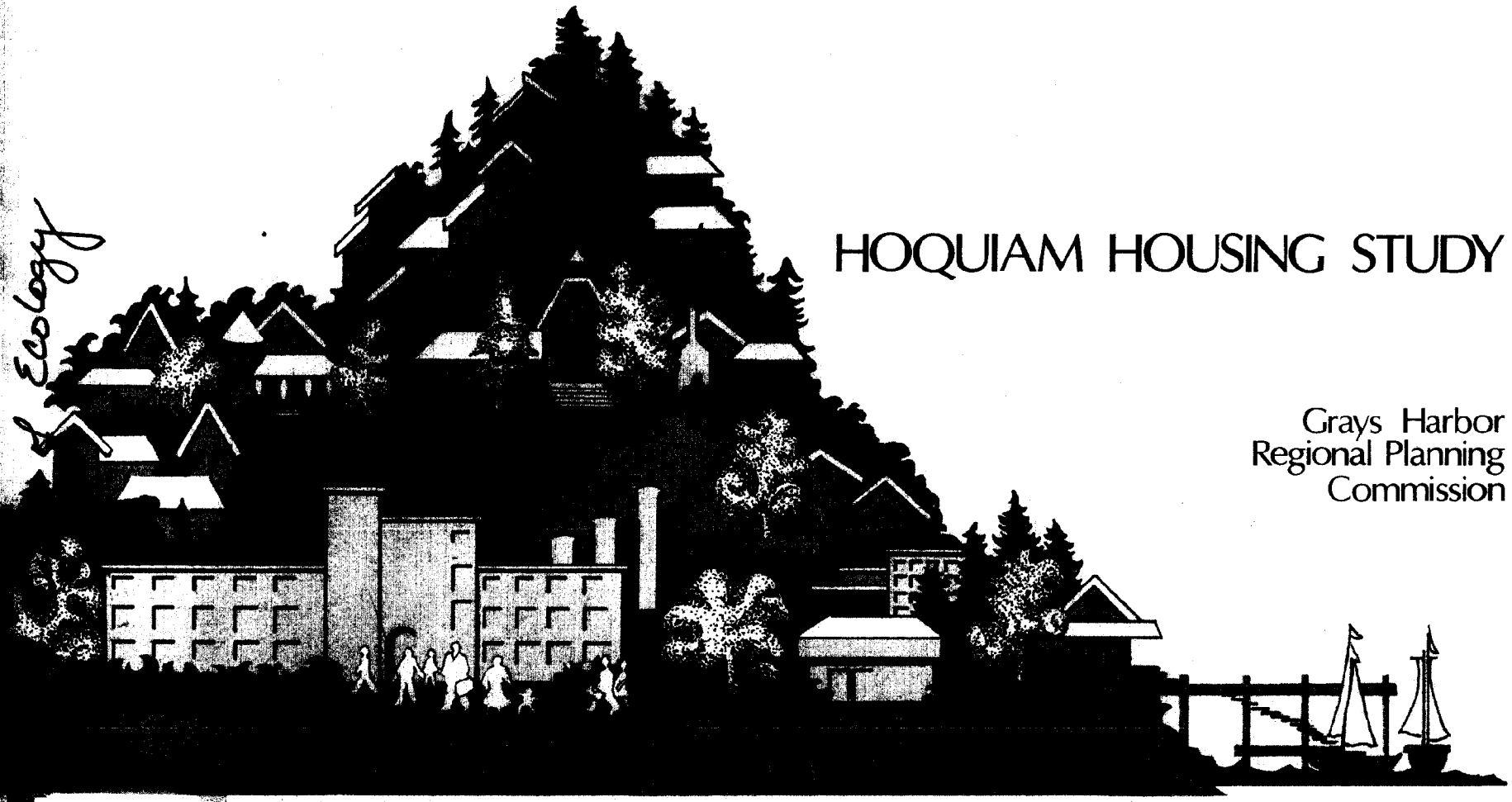
HOQUIAM HOUSING STUDY



Grays Harbor
Regional Planning
Commission

September 1978

HOQUIAM HOUSING STUDY

done for
Grays Harbor
Regional Planning
Commission

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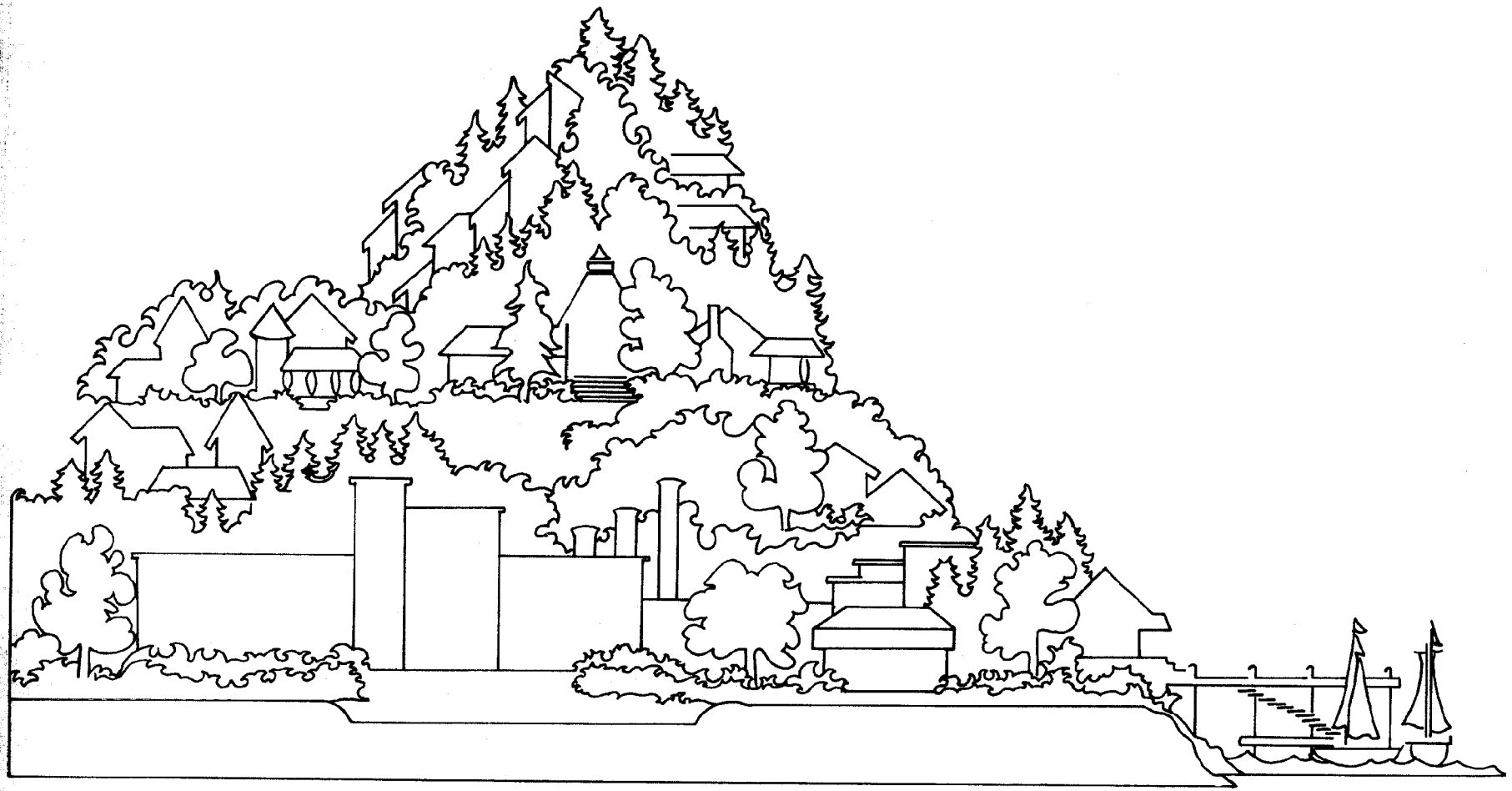
GRAYS HARBOR REGIONAL PLANNING COMMISSION
Patrick Duggan, Executive Director

CITY OF HOQUIAM
Donna Voss, City Planner
Dale Rancour, City Engineer

CONSULTANTS
Wilsey & Ham
Gordon E. Davis, Director of Planning
David C. Brands, Principal Planner
John C. Spencer, Planner
Daniel D. Heagerty, Planner
Janine Smith, Graphics
Beth Rawlins, Graphics
Jerry M. Palmer, Director of Engineering
Ed Ng, Engineer

CONTENTS



Section One: Background

SECTION ONE: BACKGROUND

Purpose of Study

This study was originated by the Grays Harbor Regional Planning Commission at the urging of the City of Hoquiam. The problem, as perceived by decision makers and staff in Hoquiam, is a lack of sufficient housing. Though the problem takes on a different character and level of importance from person to person, the following concerns are mentioned repeatedly:

- The age and condition of existing housing.
- The lack of housing at almost all price ranges.
- High housing costs.
- The inability of Hoquiam to attract its share of new housing, and thus residents, despite increases in both for the area at-large.

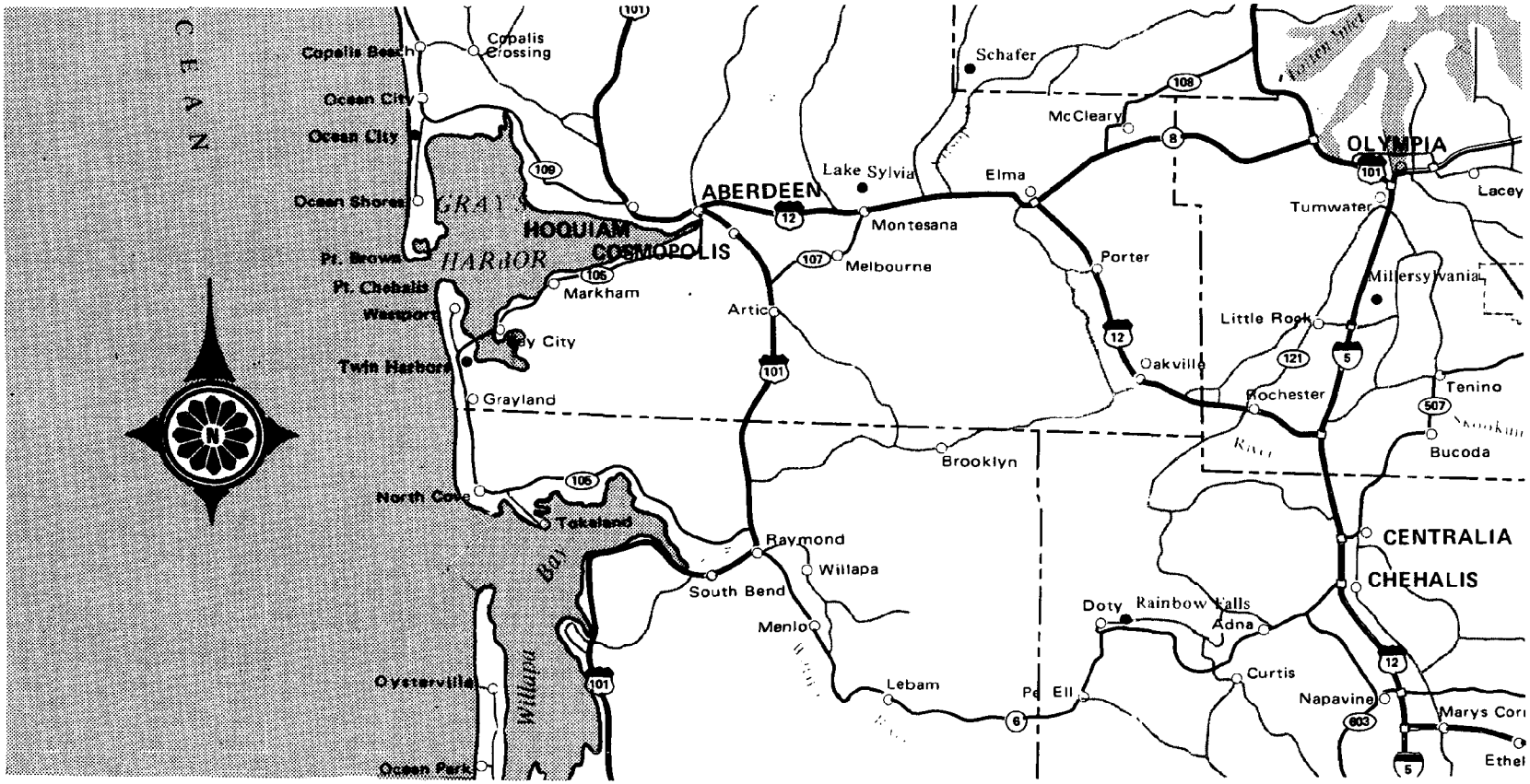
Housing has not always been a problem within the City of Hoquiam. The City's population has declined since 1930, the height of its economic activity. With that decline came a reduction of need for more and better housing. Prior to the early 1970's there appeared little or no concern for building more houses. Now, however, with most of the City's housing approaching 40 years old or greater, and a turn-around in the economic condition within the region, there is a need to maintain existing housing stock, and to obtain more housing to satisfy Hoquiam residents and regional needs.

Impetus for this study comes through action from an outside source. Early in 1976 Kaiser Steel made public their intention to locate an oil drilling platform assembly facility in the City of Hoquiam. This facility, if built, will have a significant impact on Hoquiam in terms of housing and public service needs. It was in reponse to this anticipated development and the aforementioned community concern for more housing that this housing study was initiated.

Study Objective

The City of Hoquiam, located 60 miles west of Olympia, is situated on Grays Harbor, one of the major shipping harbors in the State of Washington. Hoquiam is directly adjacent to Aberdeen (Map A) and has many similarities in social lifestyle and community needs/services.

One of the major contrasts is that housing starts in Hoquiam are significantly lower than are those in Aberdeen and the rest of the region. Thus, it was decided to limit the planning study area to the City of Hoquiam.



Map A – Hoquiam Vicinity

The goal of this study is simply to determine why Hoquiam has few new housing starts and to suggest means of encouraging building activity. A study of this nature could additionally address a broad range of social and economic problems in the community, however, this study focuses on the magnitude of the housing problem and the measures that can be taken to improve the current situation.

A logical analysis requires that, once the housing situation has been fully assessed, three major objectives be fulfilled:

Objective One - to determine where new housing starts could be accommodated within the Hoquiam city limits.

This could be a significant issue since local officials have expressed concern over the apparent lack of flat, buildable land available within the city limits. Most of the City has been intensely developed on flat land close to the city center. More recent development has occurred on the hills north of the City.

Objective Two - to ascertain what actions are necessary to encourage new housing units in Hoquiam.

Development activity near Hoquiam indicates that there is some demand for new housing in the area. This study will develop strategies for attracting new development to Hoquiam that may have otherwise located nearby.

Objective Three - to examine and assess what effect the Kaiser facility may have on housing in Hoquiam.

The Kaiser facility, if built, would create an additional need for housing over and above that created by ordinary factors.

It should be noted that this study is not intended to deal with the inevitable policy question of growth versus non-growth. Rather, it assumes that the City, including decision makers and residents, wishes to encourage new housing and new residents to locate in Hoquiam. The more fundamental question of the City's growth needs to be addressed by both the City leaders and the residents, if it has not already been satisfactorily resolved.

Community Concern

There is concern in Hoquiam about the quality and quantity of the existing housing stock. The lack of new housing starts since the 1940's has resulted in few opportunities for families wishing to

relocate. In fact, since 1970 there has been a net increase (housing starts less demolitions) of only 63 new housing units. The effects of this lack of building are discussed in more detail in Section Two. In addition to the lack of new houses, there are more households requiring housing; average family size in the U.S. has dropped from 3.3 to 2.9 persons per household since 1960. The growth rate of new households in the U.S. requiring housing has doubled (Residential Development Handbook, 1978).

The need for housing created by more new households and an abundance of delapidated housing is made more acute by economic development in Hoquiam and the surrounding area. In addition to the Kaiser plant, other large employment generators have moved to or are planning facilities in the area. ITT Rayonier opened a new sawmill in Hoquiam in 1977 and is currently planning a pulp processing plant in the City. A new nuclear energy facility is underway in Satsop as well (Duggan, 1978).

Currently, the vacancy rate in Hoquiam is 1.8 percent in single family dwellings and 3.0 percent in multifamily dwellings. Considering the age of the population and age of the housing stock, these figures are below the rate necessary to maintain a healthy supply/demand ratio. The lower the vacancy rate, the higher the demand for housing and, consequently, the higher the housing values. Compared to towns of approximately the same size, homeowners and renters in Hoquiam spend more money for lower quality housing. A more detailed discussion of how the vacancy rate effects the housing need is presented in Section Three.

All of these factors - lack of housing starts, the growing number of households, economic growth and a decreasing vacancy rate - are creating the need for more housing. While Hoquiam has experienced little new housing of late, other areas in Grays Harbor County are experiencing normal building activity. For example, the City of Aberdeen authorized 347 permits of new housing units in 1976 and 1977. In those same two years, Hoquiam authorized only 83 new housing units. This indicates that there is a market for new housing in the surrounding areas that Hoquiam may be able to compete for.

Three major concerns in Hoquiam center on the future of the housing situation in the city.

- Hoquiam is not attracting its fair share of the new housing construction in the area.
- The rate of new housing construction is not keeping pace with housing demands created by the loss of existing housing stock, decreasing family size and in-migration.
- The decreasing vacancy rate in Hoquiam will continue to drive housing costs and rents out of the range of a greater percentage of the population.

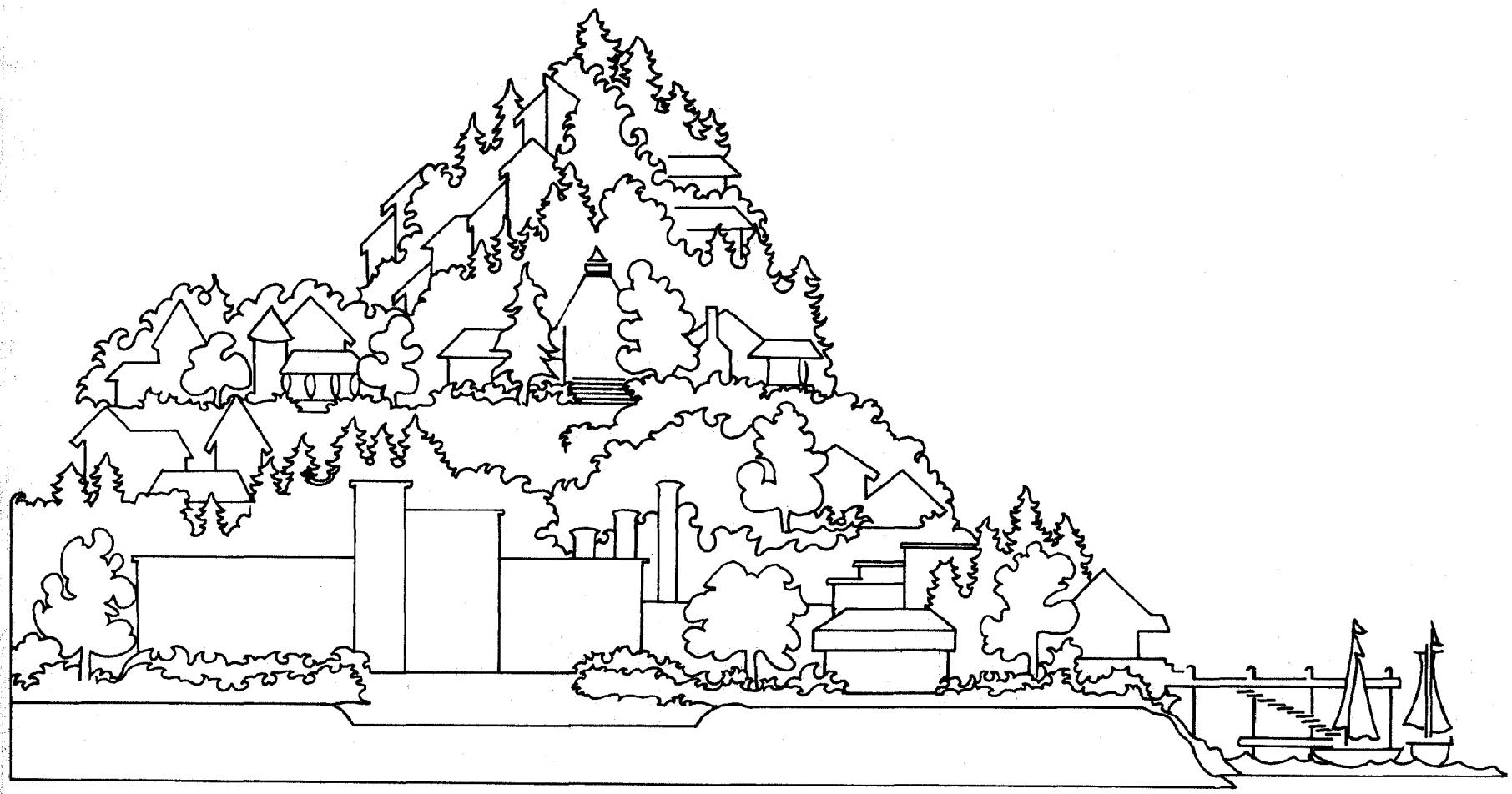
Kaiser Facility

Kaiser Steel Corporation manufactures and assembles structures which are used for drilling and oil exploration all over the world. The Kaiser Corporation has taken an option and received a fill permit for forty acres of land on the harbor in Hoquiam for a potential assembly site. Site improvements would include a marine launchway and barge terminal. The launchway would be approximately 650 feet long and 233 feet wide. The terminal would be about 500 feet long and 100 feet wide. Other facilities would include a railroad siding, an office building and service buildings (USCOE, 1976).

Operations at the Hoquiam plant would include assembly of large steel marine structures used for oil drilling, such as docks, trestles and barges. These units, which would be welded and sandblasted, range up to 350 feet wide, 250 feet high and 650 feet long. Each structure is custom-designed for a particular use and location. Most of the component pieces would be manufactured in California and shipped to Hoquiam for assembly.

The Hoquiam facility would directly serve potential oil drilling operations in the Alaskan Gulf. Because of the severe climatic conditions there, larger platforms than those currently manufactured by Kaiser are needed for drilling rigs. These platforms cannot be assembled at the Kaiser plants in California because size limits their mobility. Grays Harbor was chosen because of its ability to accommodate large floating structures and its proximity to the Alaskan Gulf (Carson, 1978).

Because Kaiser relies on large oil companies for construction contracts, actual development of the assembly facility is dependent on the success of those companies oil explorations in the Alaskan Gulf. These explorations consist of test borings to determine the existence of oil. Should oil be discovered, oil drilling platforms such as those Kaiser manufactures would be necessary to extract it. However, the explorations have not yet revealed oil deposits of sufficient size to warrant drilling operations (Carson, 1978). A more detailed analysis of the potential impacts of the Kaiser facility is given in Section Four.



Section Two : Local Resident Profile

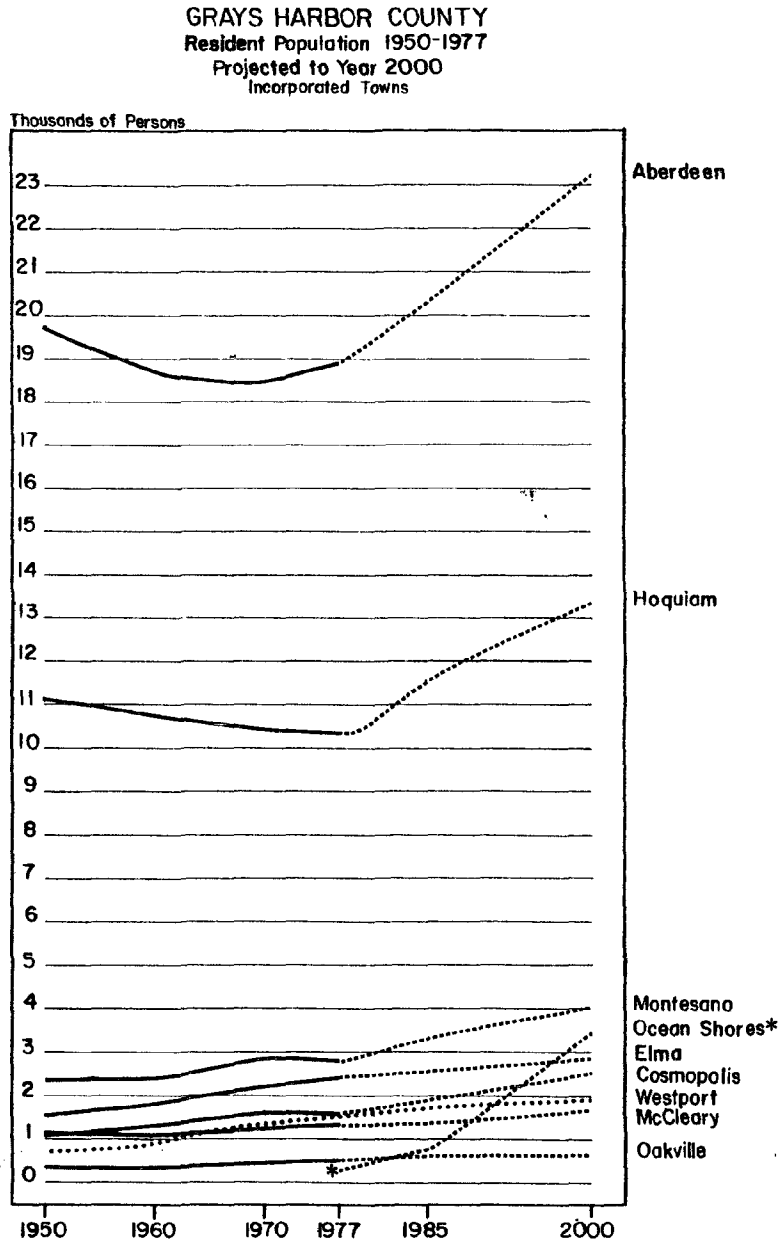
SECTION TWO: LOCAL RESIDENT PROFILE

Population

Population data for Hoquiam indicate that the City has experienced a slight decline since 1950. The City reached a peak population of 12,766 in 1930 and a low population of 10,054 in 1975. The largest population increase since 1960 occurred between 1975 and 1976, when the City recorded almost 400 new residents (Overall Economic Development Program, 1976). The absence of growth in Hoquiam is indicative of the population trends in the incorporated areas of Grays Harbor County. Between 1950 and 1977 the population in the incorporated areas of the County rose only slightly from 38,089 to 40,872, or 6.8 percent. However, the unincorporated areas of the County increased from 15,555 in 1950 to 20,528 in 1977, or 24.2 percent. At the same time, the State of Washington as a whole was experiencing a population increase of 1.283 million, or 35.1 percent.

Table 1

*Ocean Shores Inc. 1977



Although the overall growth rate of the incorporated areas of the County is well below that of unincorporated areas and the State as a whole, some of the smaller incorporated towns experienced substantial growth. While Hoquiam and Aberdeen have been declining in population, smaller towns in the area such as Cosmopolis, Elma and Montesano have shown steady increases. In addition, many of the unincorporated areas near Hoquiam and Aberdeen have experienced significant growth. Table 2 compares the growth rates of the incorporated and unincorporated areas of Grays Harbor County to statewide totals.

Population forecasts for Hoquiam point towards more growth than the City has previously experienced. The Grays Harbor Regional Planning Commission has established forecasts for the County to the year 2000. These forecasts predict a ten percent increase for Hoquiam by 1985 as compared to an increase in the entire County of eight percent. (Overall Economic Development Program, 1976).

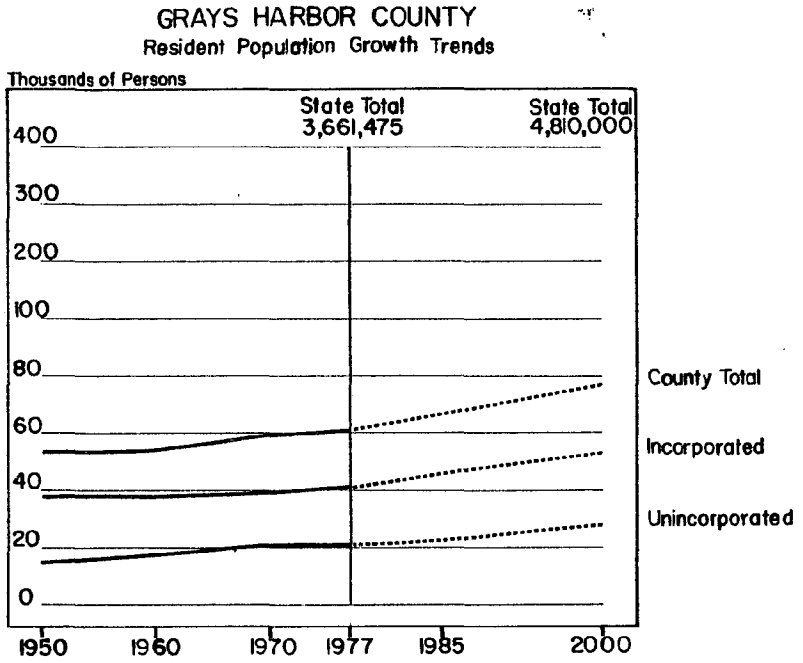


Table 2

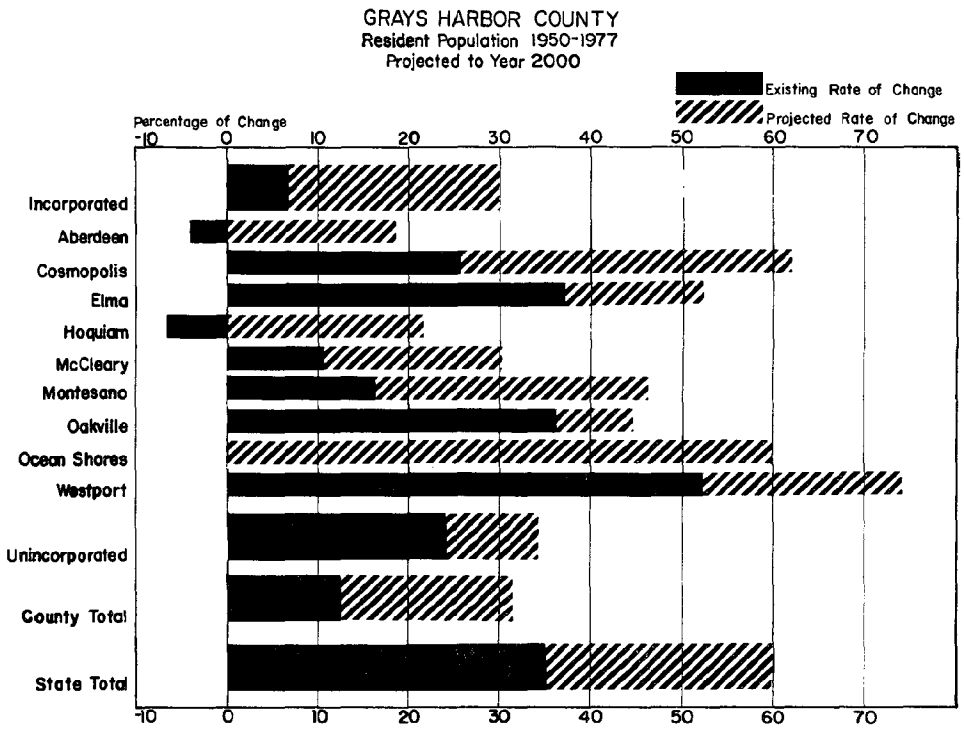


Table 3

Growth in communities such as Hoquiam, which is strongly dependent on natural resources, is traditionally based on the maintenance and creation of jobs in the local area. Populations in communities that rely heavily on one major industry fluctuate in proportion to the success or failure of that industry. Any significant alteration of the wood products industry in Hoquiam will result in corresponding alterations in local economics and population. Diversification of the economic base, such as the proposed Kaiser facility, would help to stabilize the local population. Comparative population projections to the year 2000 for Grays Harbor County are listed on Table 3.

Age

The most recent population breakdowns by age for Hoquiam are from the 1970 U.S. census, and because of the relative stability of the population these figures are still generally applicable. The trend in Hoquiam is much like that of most small American cities, where there are relatively fewer persons in the younger labor force, ages 18-44, than in larger cities. A combination of too few jobs and natural migration create a void in this category. As Table 4 shows, Hoquiam is composed mostly of young people (5-14 years of age) who are still living at home, and older persons (over 44 years old) who plan to remain there. Persons in the 18-44 age group are much more affected by fluctuations in the local job market than are those in the older and younger groups. Also, they tend to be more mobile because of a desire to leave small towns and move to better job markets.

Table 4 categorizes the 1970 Hoquiam population by age group. Close examination reveals that approximately one-half of the population is under 18 or over 62.

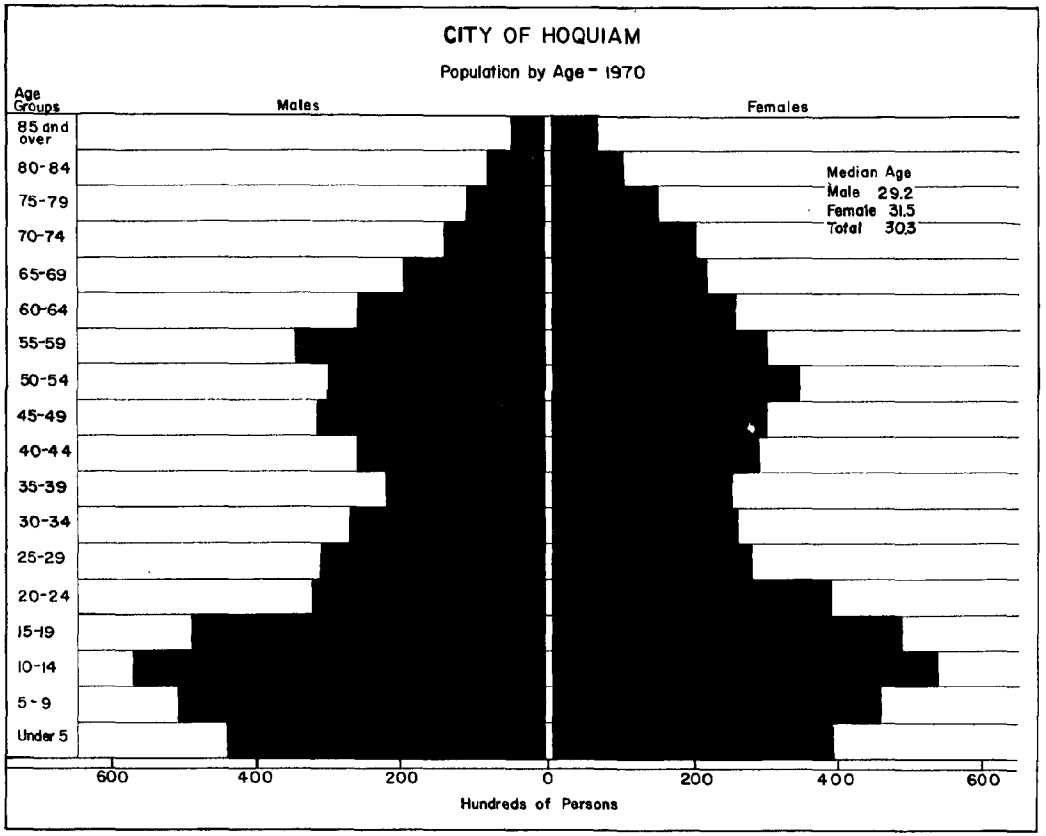


Table 4

Household Size

Although population increases are projected to be relatively modest, the need for public facilities and housing may grow at a faster rate. One major factor is declining family size. Household size in the State of Washington declined from 3.09 persons in 1960 to 2.79 in 1975. This decrease is projected to continue, reaching 2.50 persons per household in 1985 (Washington State Housing Report, 1978). So, although the total number of people in the County, and in Hoquiam, may remain fairly constant or increase only moderately, the number of households can be expected to increase. The number of new housing units needed is related more directly to the total number of households, rather than to overall population. As the number of households increases, so does the need for new dwelling units.

The need for more living units in spite of the declining population rate is the result of a preference for smaller families, the formation of single person households and the increasing divorce rate. The divorce rate in the U.S. more than doubled between 1964 and 1974. In the State of Washington alone, divorce created the need for approximately 8,500 new households between 1970 and 1975 (Washington State Housing Report, 1978).

Other factors involved in declining household size include the fact that life expectancy is lengthening and that the average age at first marriage is older. In Washington, the number of elderly people (65 and over) increased one percent from 1970 to 1975. Many of these people remain in single family living units that they have occupied for a number of years. The percentage of single persons in the U.S. under age 35 has increased twenty-five percent since 1970. These persons, who before married and created one household, now each occupy a separate household (Washington State Housing Report, 1978).

Throughout the State, cities with populations in excess of 1,000 have exhibited a decrease in household size. This decrease in size is one factor that creates the need for more housing units. It should be noted that statistics on household size specifically in Hoquiam are not readily available. It is assumed that the statewide figures reflect the general trends in Hoquiam.

Employment

Like most areas that depend heavily on natural resource industries, Grays Harbor County's employment situation fluctuates greatly from year to year. As Table 5 shows, the average annual unemployment rate in the county changed an average of 1.7 percent per year between 1970 and 1977. In all but three of those years, the county average was higher than the state average. Consequently, since 1970 the county's average annual unemployment rate is 1 percent higher than the state's.

The peak unemployment rate was in 1975, when more than 12 percent of the county labor force was without work. Between 1975 and 1976, the rate dropped to 8 percent and then leveled to 9.6 percent in 1977, giving further indication of the instability in the number of available jobs.

TABLE 5

Average Annual Employment and Unemployment
Grays Harbor County
1970-1976

	GRAYS HARBOR Number of Unemployed	GRAYS HARBOR Unemployment Rate	STATE Unemployment Rate	U.S. Unemployment Rate
1970	2,800	11.5	9.1	4.9
1971	2,420	9.8	10.1	5.9
1972	2,370	9.4	9.5	5.6
1973	2,320	8.9	7.9	4.9
1974	2,290	8.9	7.2	5.6
1975	3,070	12.4	9.5	8.6
1976	2,107	8.0	8.6	7.5
1977	2,660	9.6	8.8	7.0
1970-1977 Average	2,505	9.8	8.8	6.3

SOURCE: Overall Economic Development Plan, Grays Harbor County, 1976.

Although employment figures remain relatively high, there are signs of economic improvement in the county. As Table 6 shows, the trend toward more government and service jobs which prevailed in the early 1970's was slowed somewhat by increases in other areas, such as manufacturing and construction. Manufacturing jobs, which decreased in number between 1970 and 1975, increased to the highest level since the 1960's, while wages and salaries from construction work almost doubled between 1976 and 1977. The increase in construction jobs is, in part, due to the nuclear power plant project in Satsop as well as increases in housing starts throughout the county.

Hoquiam, being the industrial hub of the area, has traditionally been more dependent on wood products manufacturing jobs while other communities such as Aberdeen, are stronger in the trade and service categories. Consequently, economic stability in Hoquiam is dependent on diversification in all areas of employment.

TABLE 6

Average Monthly Employment
Grays Harbor County
1976-1977

JOB, TYPE	WAGE AND SALARY EARNERS	
	1976	1977
Manufacturing	7830	8200
Non Manufacturing	13050	14100
Construction	740	1110
Transportation, Communication and Utilities	900	920
Trade	4040	4500
Finance, Insurance and Real Estate	510	580
Service and Misc.	3310	3430
Government	3550	3560
TOTAL	20880	22300

SOURCE: Overall Economic Development Program Annual Progress Report, Grays Harbor County 1977.

As the following list of county taxpayers shows, the entire area is still very much dependent on wood products firms.

LARGEST TAXPAYERS IN GRAYS HARBOR COUNTY

1. Weyerhauser Company
2. ITT - Rayonier, Inc.
3. Simpson Timber Co.
4. Boise-Cascade

(Source: Grays Harbor County Assessor)

Timber related jobs generally throughout the country have declined steadily since 1969, and experts project that general trend to continue (Overall Economic Development Program, 1976). The U.S. Forest Service estimates that while thirty-three percent of timber-related jobs available in 1969 will be eliminated by 2020, there will be a slight increase in pulp and paper industry jobs. The most significant increases are expected in the forest management field. As the industry begins to develop more intensive management practices, the number of management positions is expected to increase by almost fifty percent. As mills become more automated, there will be a shift from emphasis on general labor to emphasis on management and research. It is assumed that workers who fill these new spots will have different skills than those whom they replace (USCOE,1976).

Income

The heavy reliance on the wood products industry in Hoquiam has resulted in an unstable employment pattern and a lower median household income than the State of Washington as a whole. As Table 7 shows, the median household income for Hoquiam was roughly 10 percent lower than the State average in 1970. The same table assumes that recent income increases have been approximately the same for Hoquiam as they have for the State as a whole. In reality, although no specific figures are available, income in Hoquiam probably increases at a slightly slower rate than the rest of the State.

The important figures in terms of housing are the comparative increases in income and housing value. While the median income in Hoquiam and the State has risen approximately 33 percent, the value of housing has risen 49 percent in the State and 39 percent in Grays Harbor County (Washington State Housing Report, 1978). This means that fewer families can afford to buy homes and that, in general, families cannot afford the same type of house they could in 1970.

TABLE 7

MEDIAN INCOME AND HOUSING VALUE

Hoquiam, Grays Harbor Co. and Washington State

1970 - 1977

	1970	1973	1977	% Change 70-77
MEDIAN INCOME[1]				
Hoquiam[2]	7674	9029	11,286	33%
Grays Harbor Co.[2]	7675	9029	11,287	33%
State	8500	10,000	12,500	33%
MEDIAN VALUE OF HOUSING				
Grays Harbor Co.[2]	13,700	18,221	22,595	+39.4%
State	23,500	35,000	46,000	+49.0%

[1]Families and unrelated individuals

[2]Actual for 1970: estimated for 1973 and 1977

SOURCE: Washington State Housing Report, 1978
Quarterly Socioeconomic Report, 1978
U.S. Bureau of Census, 1970

Table 8 further illustrates the growing discrepancy in family income and housing value. Although these figures apply only to the State as a whole, they give a relatively good indication of what is occurring in Hoquiam. In 1970, the median household income was almost 75 percent of the income required to purchase a median priced home. In 1977, the median income was only 55 percent of the income needed to purchase a median price home. In seven years, roughly 20 percent fewer families could afford to purchase a median price home.

These figures all point to a trend that is affecting the entire country, namely increases in income are not matching increases in housing costs. A combination of new housing methods, publicly funded housing and less expensive development techniques are necessary to slow the spiraling cost of housing. Sections Five and Six discusses housing implementation strategies in Hoquiam that address this problem.

TABLE 8

INCOME REQUIRED TO PURCHASE MEDIAN PRICED HOUSING COMPARED TO MEDIUM HOUSEHOLD INCOME: State of Washington

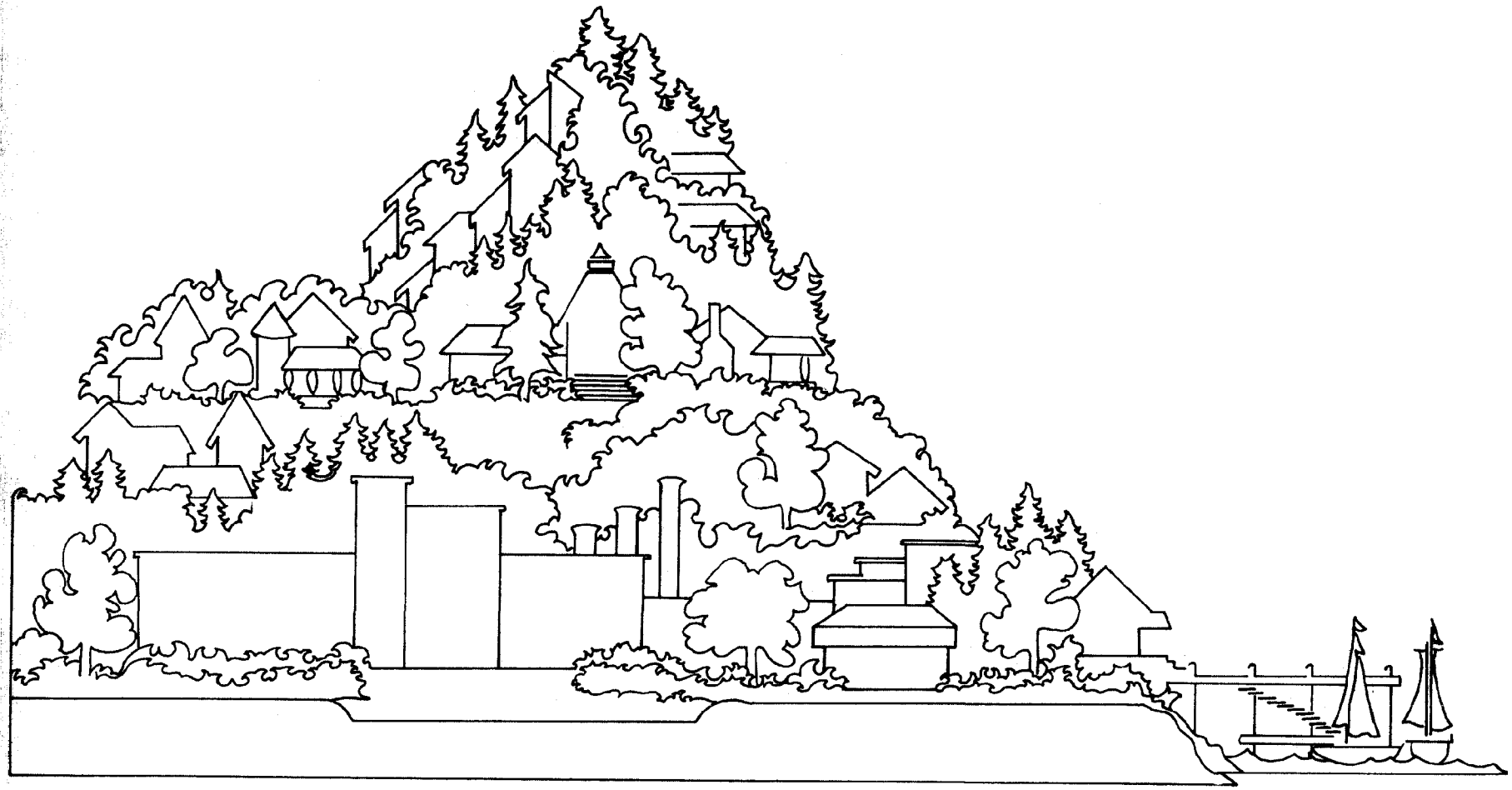
1970 - 1977

	New Housing			Existing Housing		
	1970	1973	1977	1970	1973	1977
MEDIAN HOUSING VALUE	25,600	31,500	48,000	21,500	26,500	42,000
Mortgages[1]	166.26	208.40	355.41	139.91	183.67	345.54
Taxes[2]	32.43	59.06	65.00	27.24	49.58	56.00
Insurance	5.00	8.00	11.00	4.00	7.00	10.00
Utilities	25.00	30.00	45.00	25.00	30.00	45.00
Maintenance	9.00	10.00	15.00	9.00	10.00	15.00
TOTAL MONTHLY COST	237.69	315.46	491.41	205.15	280.25	471.54
INCOME REQUIRED @ 25%	11,409	15,142	23,587	9,847	13,452	22,633
MEDIAN HOUSEHOLD INCOME	8,500	10,000	12,500	8,500	10,000	12,500

[1]Assumes 7¼%, 25 year loan, 10% down for 1970,
8%, 30 year loan, 10% down for 1973, and
9¼%, 30 year loan, 10% down for 1977.

[2]Actual State Taxes

SOURCE: State of Washington Housing Report, 1978
Quarterly Socioeconomic Report, 1978



Section Three : Housing

SECTION THREE: HOUSING

Existing Profile

The majority of Hoquiam's housing stock was constructed prior to 1940 to accommodate a boom in the lumber industry. Most of the mill workers located in the lowlands to be close to work while more affluent community residents settled on the surrounding hillsides. Since 1940, as the population stabilized, so did the number of new houses. The 1970 census indicated that more than seventy-five percent of the dwellings in Hoquiam were more than thirty years old (Hoquiam Comprehensive Plan, Section 3, 1974). It can reasonably be assumed, then, that the majority of housing in the City is approaching 40 years of age or older.

The housing in the City can be divided into two basic categories: 1) low to moderately-priced units and 2) high-priced units. There is a distinct lack of units priced at middle income ranges. Most of the housing, such as that originally built to house mill workers, falls into the first category and is of generally the same quality and construction.

The low to moderately-priced units are generally 1,100 to 1,200 square feet, 1 1/2-stories, on 4,000-square foot lots with three bedrooms and one bath. These houses are located in the flat lands, surrounding the industrial and commercial property. Hillside property, much of which commands spectacular views of the harbor, is developed with newer, more costly housing.

Perhaps no statistics have changed as much as real estate values over the last ten years, with the most recent increases being the most dramatic. Because the changes have been so great over a short period of time, relevant data are hard to obtain. Information more than six months old is virtually useless. However, it is possible to delineate some general trends to attempt to put the spiralling costs of housing and property into perspective.

A random survey was done to determine the increases in assessments of the two general housing types in Hoquiam. The first group of houses was located in the lowlands and were built prior to 1940. The average 1976 assessed value of this group was $21,232. The average assessment increased 56.6 percent between 1970 and 1976 (County Assessor, 1978).

The second group of houses which were built after 1965 were located on or near the hills surrounding the city. Most of them were one or two story modern structures with three or four bedrooms and two baths. The average 1976 assessed valuation was $41,778. The average assessment increase between 1970 and 1976 was 34.6 percent (County Assessor, 1978).

Conversations with local real estate brokers and appraisers confirm these increases. A standard, 1 1/2 story house in good condition with three bedrooms and one bath on a 4,000 square foot lot generally sold for $20,000 in 1969. The same house would today cost between $38,000 and $42,000.

Inventory

The consulting team conducted a windshield survey of housing conditions in the City. The purpose of the survey was to identify areas with potential for redevelopment, as well as to generally assess the entire housing stock. The housing was found to be fairly well maintained, particularly considering the age of the structures.

There are very few areas in Hoquiam that warrant demolition and redevelopment. In a number of cases, one very poorly-maintained house would appear on a block of well-maintained structures. It is assumed that the future of those units would be determined by the surrounding uses and that demolition of them would not create enough vacant land for a significant number of new housing starts. Most of the housing supply would be kept livable and in relatively good condition with moderate rehabilitation.

Housing that was judged to be in need of repairs greater than one-fourth the total value of the house was considered beyond rehabilitation. This determination does not preclude rehabilitation, but was used as a general rule for this study. One area of such housing is located east of Lincoln Street, between Smith and Eklund Streets (Area map 3, Section Six). Much of the housing adjacent to the old urban renewal area, between 9th and 12th south of Simpson (Area map 6) is also in very poor condition, and may warrant re-development. The actual feasibility of clearance versus rehabilitation needs more specific study on the part of the landowners and the City, but these areas were determined to be in particularly poor condition.

Existing Housing Need

At the present time there is an existing housing need in Hoquiam due to low vacancy rates. Vacancy rates, which identify the number of unoccupied units, play a major role in determining housing values and rents. Low vacancy rates indicate a lack of adequate housing choice and often lead to high costs because housing demand exceeds the available supply. Conversely, when vacancy rates are high, many units remain unoccupied and housing costs usually drop.

The existing vacancy rates in Hoquiam are 1.8 percent for single family housing and 3.0 percent for multi-family units (Hoquiam Bldg. Dept., 1978). Optimum rates, which would provide an adequate housing choice and a good unit turnover, are 4-4.5 percent for single family units and 6-6.5 percent for multi-family units. These optimum rates reflect the population's propensity to move and the existing housing stock.

Table 9 outlines the existing housing need in the City. The "Total Units Required" category is the number of housing units needed at the present time to achieve the optimum vacancy rates. The difference between that number and the number of existing units plus the number of authorized demolitions results in a total number of replacement units which are required to achieve a balanced housing supply.

TABLE 9 City of Hoquiam
Existing Housing Need
1977

Population	10,430
People Per Household	2.63
• Single Family	3.29
• Multi-Family	1.97
Existing Number of Households	3962
• Single Family	2979
• Multi-Family	983
Existing Number of Units	4047
• Single Family	3034
• Multi-Family	1013
Existing Vacancy Rate	2.7%
• Single Family	1.8%
• Multi-Family	3.0%
Total Units Required	4160
• Single Family	3113
• Multi-Family	1047
New Households Required	
• Due to demolitions	9
• Single Family	2
• Multi-Family	7
• To achieve optimum vacancy rate	118
• Single Family	82
• Multi-Family	36
TOTAL	127
• Single Family	84
• Multi-Family	43

Sources: Overall Economic Development Program, 1976
Washington State Housing Report, 1978
Hoquiam Public Works, 1978
U.S. Bureau of Census, 1978

Approximately 60 to 70 percent of the housing in Hoquiam is owner-occupied, single family dwellings. Although the assumption is that local residents prefer to own rather than rent, economics will continue to make that desire more difficult to realize. Based on the employment and income information in Section Two, it appears that the existing housing need would be best met by low to moderate priced ($35,000-45,000) single family homes and moderate ($150 to 200 per month) rentals. At existing development and construction costs, the percentage of renters will continue to increase,particularly in new units. Successful housing rehabilitation efforts would make single family home ownership more feasible for a larger segment of the population as construction of new homes of similar quality would be beyond the economic means of most of the residents. Substantial demolition would most likely result in a significant change in the owner-renter ratio as the economics of new construction would force people to rent rather than own. Because the extent of future housing rehabilitation and future real estate values are unknown, the housing need projections in Tables 9 and 10 assume the same single family to multi-family ratio as exists today.

Future Housing Need

The need for additional housing in Hoquiam is increasing due to the following four major factors.

- o Population Growth
- o Decreasing Household Size
- o Low Vacancy Rates
- o Age and Condition of Existing Housing

- Population Growth: Various population projections for Hoquiam all indicate an average growth rate of approximately 1 - 1.3 percent. Using the high end of that range, the City's population would reach 10,836 by 1980 and 11,610 in 1985 as indicated in Table 10. These population figures are made using general trends and do not usually reflect population increases due to specific factors such as new industry. Therefore, the housing need associated with the new Kaiser facility (Section 4) would be in addition to that outlined in Table 10.
- Decreasing Household Size: Although population projections for the City do not indicate substantial growth, changes in household structure will increase the need for housing units relative to the population. Based on state-wide averages, the household size in Hoquiam is projected to decline from 2.63 persons per household to 2.46 in 1980 and 2.31 in 1985. The corresponding declines in multi-family and single family residences are also indicated in Table 10.

The decline in household size will impact housing need in two ways. First, new families moving into Hoquiam will be smaller than in the past. Therefore, housing to accommodate new residents is based on 1980 and 1985 household size projections. Secondly, family size within Hoquiam will decrease and create some new need for housing. However, the exact need is difficult to determine because the percentage of people who create new households and stay in Hoquiam is unknown. Some will simply leave and look for housing elsewhere. Category "b" on Table 10 estimates the need for new housing due to the decline in existing family size. The low estimate is calculated on the assumption that one-quarter of the new household formations will stay in Hoquiam, while the high estimate indicates the need for housing if all the new households formed remain in Hoquiam. While the range created in category "b" gives the high and low end of the housing need, most likely, the actual need will fall somewhere in the middle.

- Low Vacancy Rates: As discussed previously, the low vacancy rates in Hoquiam create an existing need for housing in the City. To maintain optimum vacancy rates there will have to be more new units constructed than are actually needed. These additional units are indicated in category "c".

- Age and Condition of Housing Stock: Also contributing to the need for new housing is the number of units which will be demolished due to their age and condition. The age of the existing units would normally indicate that a great number of them are ready for replacement. However, the housing inventory revealed that most of the units in Hoquiam could remain in good condition with minimal upkeep and rehabilitation. If a rehabilitation program is established (through H.C.D. funds for example) the number of demolitions will be relatively low. However, if no concentrated effort is made to encourage rehabilitation, a substantial number of units may have to be replaced by 1985. (Hoquiam Comprehensive Plan, Section 3, 1974). Current demolition trends are well below that rate. The figures in category "d", which are relatively conservative compared to those of past studies, are, like any demolition estimates, subject to the actual amount of rehabilitation undertaken in the next seven years and could change significantly.

TABLE 10
PROJECTED HOUSING NEED
1980-1985

	1980	1985
Population	10,836	11,610
People per Household	2.46	2.31
Single Family	1.75	1.64
Multi-Family	2.70	2.54
New Households Required		
a) Due to new population	165	510
Single Family	124	383
Multi-Family	41	127
b) Due to changes in Existing Population	48-192	117-468
Single Family	36-144	88-351
Multi-Family	12- 48	29-117
c) To Maintain Optimum Vacancy Rate	2- 10	4- 24
Single Family	1- 7	3- 16
Multi-Family	1- 3	1- 8
d) Due to Demolition	100	350
Single Family	60	210
Multi-Family	40	140
Total New Units Required (1977-1985)	442-594	1148-1479
Single Family	305-419	794-1044
Multi-Family	139-175	354- 435
Additional Units Required per year:	147-198	164- 211
Single Family	101-140	113- 150
Multi-Family	46- 58	50- 62

SOURCES: Washington State Housing Report 1978.
Hoquiam Public Works Dept. 1978
Overall Economic Development Program 1976.

Potential for Additional Housing

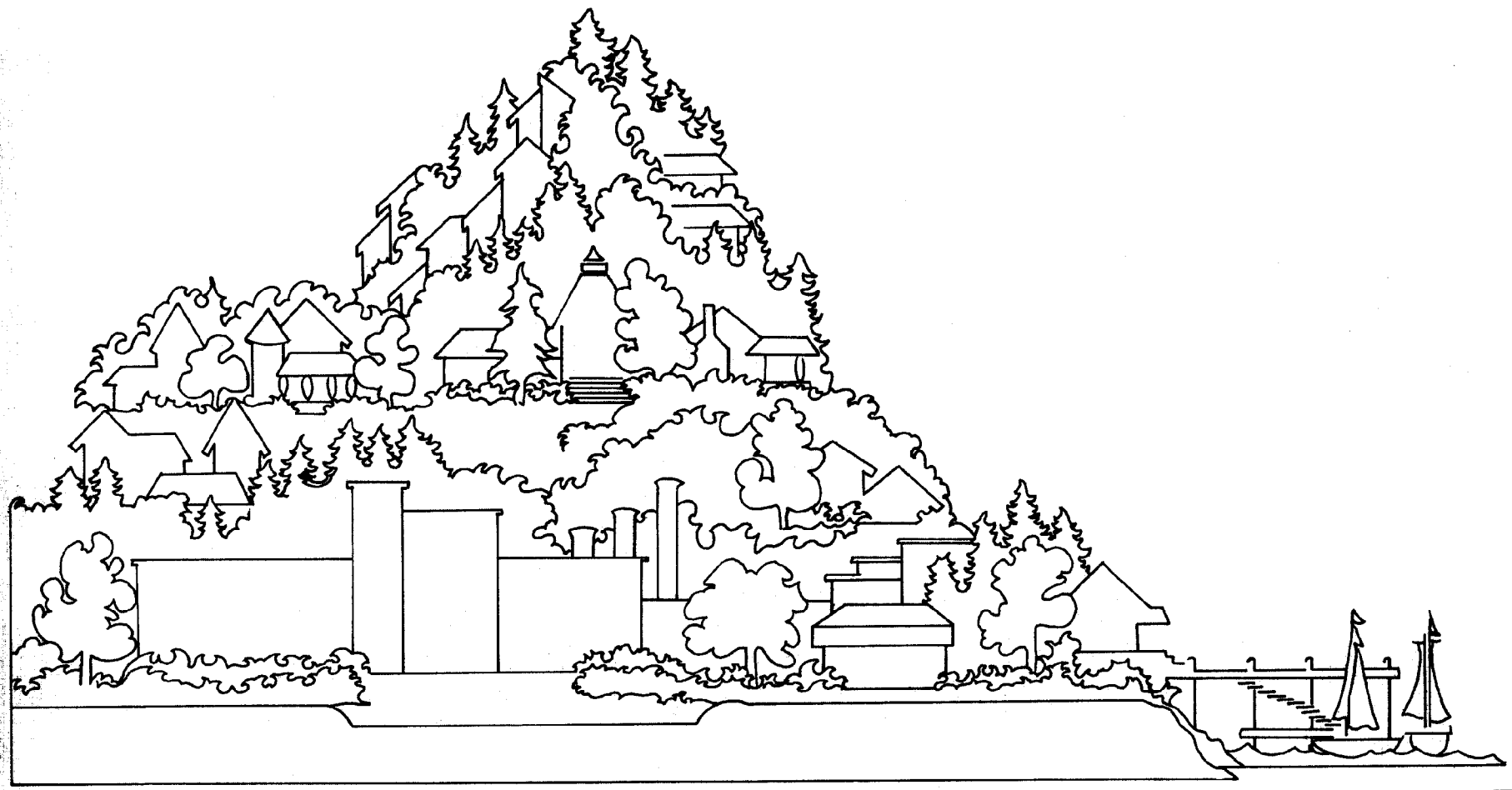
Hoquiam has two major choices in providing for future housing need; 1) rehabilitation and 2) new construction. The most logical solution is a combination of both. Rehabilitation is a preventive device. By maintaining and rehabilitating old housing, the need for new housing is decreased. As the housing inventory revealed, most of the housing in Hoquiam is adequately maintained although a few areas have been identified which are beyond the rehabilitation stage. Rehabilitation is important because of the rising cost of land and construction. Most of the housing in Hoquiam could not be replaced with housing of similar value. Continued maintenance and rehabilitation will decrease the need for additional housing and consequently, the need to develop vacant land.

There is a substantial amount of undeveloped, vacant land in Riverdale and Woodlawn (Area Maps 1, 2 and 3, Section Six). Grays Harbor County owns 217 lots in the Riverdale Addition, the city owns 8 and private parties own the remaining 174 lots. The City is currently negotiating to acquire the County's lots which are 4,000 square feet in size and platted on a grid system, a system which is not appropriate relative to the land formation. Because of the physical constraints of the land (i.e. slopes, vegetation, etc.) as much of the Riverdale area as possible should be developed as one parcel. To achieve this, the City should continue their efforts to purchase the County's lots and perhaps private lots as well. Once a large block of land is accumulated, it could be sold to a developer for re-platting and subdividing. Such action would result in a more effective development plan than would normally occur on individual parcels.

Just north of the Riverdale Addition is the Woodlawn Addition, which has consistently been discussed as Hoquiam's "area for the future." Like the Riverdale Addition, Woodlawn has access to water and sewer lines and has been accommodating recent development. Although this area does have some topographic and biological constraints, it certainly offers the potential for future growth.

Two other areas offer vacant land that could accommodate development. The Little Hoquiam Valley (Area Map 9, Section Six) is comprised of land that is suitable for building, although it may require an expansion of public facilities. The two major land owners in the valley are the City and ITT Rayonier. The City also owns 13

acres of undeveloped land near the high school (Area Map 10, Section Six) which has been discussed as a new park site, a residential site and a combination of both. Recently, the City received a sizable donation in the form of a matching grant to be used for park development. As of yet, the City is still trying to raise the funds necessary to accomplish park improvements. Section Six deals with each of these areas in detail in terms of their potential for meeting the housing need in Hoquiam.



Section Four : Kaiser In-Migrants

SECTION FOUR: KAISER-IN MIGRANTS

Employee Profile

The success of the oil explorations in Alaska will determine the future of the Kaiser facility. Should it locate in Hoquiam, the facility will have an immediate impact on housing. Table 11 gives conservative projections of potential Kaiser employees by job category and salary range.

The majority of the Kaiser personnel would be hired from the existing labor force. It would consist of highly-skilled laborers such as welders and pipe fitters as well as production assembly workers, office and clerical help. To meet the potential demand, Grays Harbor Community College is offering a program to train welders. The goal of the program is to train enough welders to meet Kaiser's needs. Kaiser could provide as many as 250 new jobs to local residents (USCOE, 1976).

Most of the administrative personnel would be relocated to Hoquiam from existing Kaiser offices. These positions include production supervisors, plant managers and other top-level personnel, all of whom would be in the middle to upper middle income categories.

TABLE 11

KAISER STEEL EMPLOYEES
Employee Profile by Salary and Category

	Employees Needed	Salary Ranges($)	Yearly* Income ($)
WELDERS	110	$7.50 - 11.00/hr.	15600-22880
PIPE FITTERS	45	7.60 - 8.50/hr.	15808-17680
PRODUCTION ASSEMBLERS	20	5.50 - 6.50/hr.	11440-13520
ADMINISTRATORS	50		
• Foreman	10	9.50 - 10.50/hr.	19760-21840
• Superintendents	5	11.50 - 12.50/hr.	23920-26000
• Asst. Supervisors	10	1800 - 2100/mo.	21600-25200
• Production Supervisors	10	2383 - 2478/mo.	28600-29744
• Other	15		
CLERICAL	11		
• Secretaries	5	$850/mo.	10,200
• Typists	3	$650/mo.	7,800
• Receptionist	1	$650/mo.	7,800
• Bookkeepers	2	$550 - $750/mo.	6600-9000
MISCELLANEOUS	14		

*1978 average pay rate

Source: USCOE, 1976
Occupational Information Printouts, 1978
Havercamp, 1978

Housing Need

Housing need created by the Kaiser facility would be manifested in two ways. First, there is an obvious need to accommodate the new employees who would relocate in Hoquiam. Second, there would be a need to accommodate the increased spending power of existing residents who secure higher-paying jobs at the Kaiser facility.

Of the 250 jobs Kaiser would produce, almost all of the 50 administrative positions and approximately one-fourth of the skilled labor jobs would be filled by persons new to Hoquiam. The administrators would come primarily from existing Kaiser facilities or other similar facilities, while the skilled laborers would consist of currently unemployed, skilled workers throughout the Northwest. It is important to note that these people would represent a population increase not included in the standard population projections listed in Table 10. Consequently, a separate housing need of approximately 85 families would be generated by the Kaiser Plant. These families would be included mostly in the higher income levels (15,600/year and up) listed in Table 11.

Table 12 provides a breakdown of the cost of affordable housing by job category and income. A standard figure for maximum monthly mortgage payment is twenty-five percent of an individual's gross monthly income (Residential Development Handbook, 1978). However, the actual payment is established by the lending institution and thus may be higher or lower than the figures given here. The effect of other factors, such as the possibility of G.I. loans, two-income households and the value of the worker's former home, is impossible to calculate unless given a specific employment profile. Particularly in the case of the new residents, the value of their former homes may be very important. For example, a Kaiser family relocating from California, where housing is more costly, may be able to purchase more for their money in Hoquiam, where housing costs are lower.

TABLE 12

KAISER EMPLOYEES

Income Available for Housing

	Salary/Mo.	20% of Salary	25% of Salary	Price of Affordable Unit: Own[1]	Price of Affordable Unit: Rent
WELDERS	1300-1900	260-380	325-475	36,075-37,725	260-350/mo.
PIPE FITTERS	1317-1473	263-294	329-368	36.519-40,848	263-350/mo.
PRODUCTION ASSEMBLERS	953-1126	190-225	238-281	26,418-31,191	190-281/mo.
ADMINISTRATORS					
• Foreman	1646-1820	329-364	411-455	45,621-50,505	to 400/mo.
• Superintendent	1993-2166	398-433	498-541	55,278-60,051	to 450/mo.
• Asst. Supervisors	1800-2100	360-420	450-525	49,950-58,275	to 500/mo.
• Production Supervisor	2383-2478	476-495	595-619	66,045-68,709	to 550/mo.
• Other					
CLERICAL					
• Secretary	850	170	212	23,532	170-212/mo.
• Typist	650	130	162	17,982	130-162/mo.
• Receptionist	650	130	162	17,982	130-162/mo.
• Bookkeeper	550-750	110-150	137-187	15,207-20,757	110-187/mo.

[1]Assumes mortgage payment 25% of gross monthly income and that monthly payment approximately 11% of total unit cost.

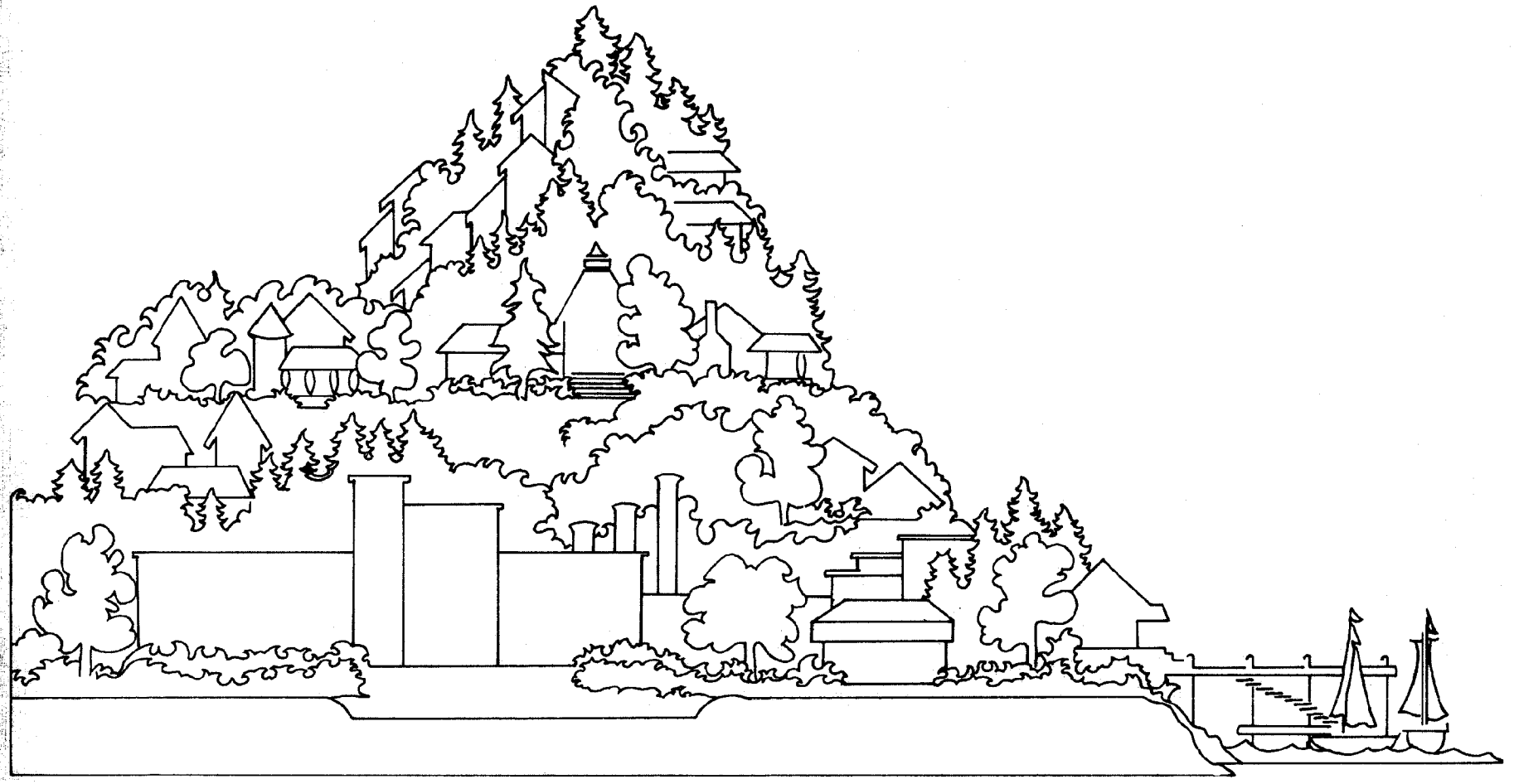
SOURCE: USCOE, 1976
Occupational Information Printouts, 1978
Havercamp, 1978

Based on the information in Table 12 and current housing values in Hoquiam, it appears that approximately 205 households in the Kaiser work force could afford to purchase a single family house. Of those 205 households, roughly 70 could purchase a medium priced new house, based on state-wide housing averages. Another 135 workers could purchase either a lower priced new home or an existing dwelling while the remaining 45 workers could afford rental units varying in price from $110 to $280 per month. Of those who could afford to purchase homes, some may wish to rent. However, it is assumed that most people who can afford to buy homes will.

It is necessary to keep in mind three key points when analysing the 135 workers who could purchase a low priced new home or an existing home:

- The Kaiser facility is unlike any existing plant in the area. Therefore, the skills required (i.e. welding and pipe fitting) are new to the area.
- A special program was established to train local persons for Kaiser jobs.
- The other manufacturing jobs in the area (i.e., lumber and wood products) pay about as well as Kaiser manufacturing jobs, and require completely different skills. Therefore, the temptation to change from an existing job to a Kaiser job would not be that great.

Therefore, it seems reasonable to assume that a large portion of these 135 households generated by the Kaiser facility will be able to afford to buy a house for the first time. Therefore, although the majority may not be new to Hoquiam, there is a good chance they would be new homeowners.



Section Five: Development Barriers

SECTION FIVE

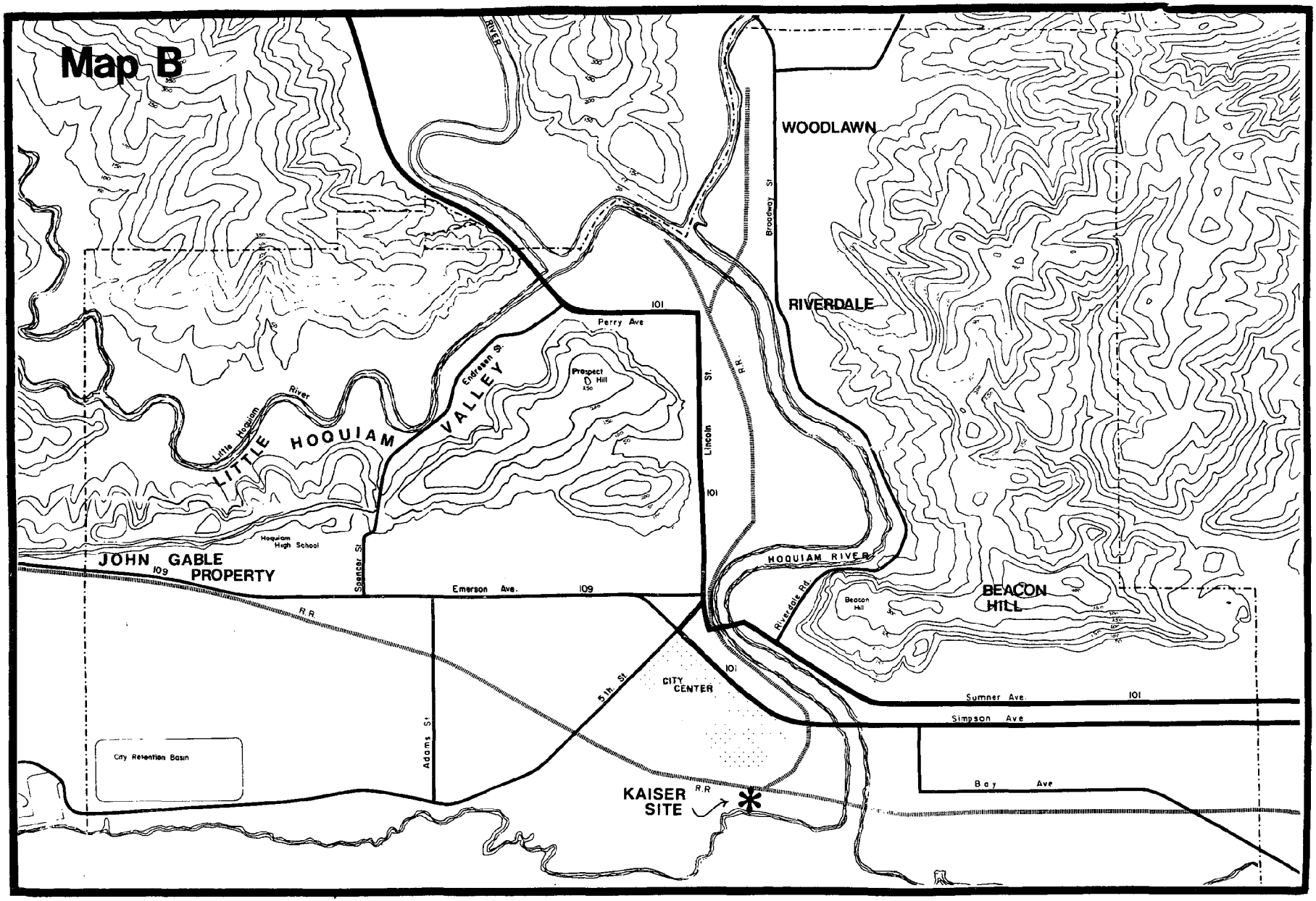
Public Sector Development Barriers

In new housing development, the public sector plays both a physical role, consisting of provisions for public facilities, and a social role, which promotes the community's health, safety and welfare. The physical facilities include sanitary and storm sewers, roads, water, schools, and fire and police protection. In addition, special physical features, such as flood plains are often managed by public agencies. The social role is comprised primarily of administering growth and development that is in the best interest of the total community. To encourage new housing, Hoquiam must identify the deficiencies in its existing public facilities and administration procedures, and work towards solutions that are satisfactory to existing residents and prospective developers.

Physical:

Sewers:

The City is participating in a matching grant program with the Environmental Protection Agency and the State Department of Ecology to replace approximately ninety percent of the existing sewer lines. The existing lines were built prior to 1920 and, due to structural wear and tear, are inadequate to meet current needs. The present facility serves as a combination sanitary and storm drainage system and does not have sufficient pipe sizing for both functions, resulting in overflows and surcharged system conditions. For example, the Sewer System Evaluation Survey done in 1976 indicated that the Sewer System capacity in Hoquiam was approximately 6 MGD's (Million Gallons per Day). During and after storms, the maximum flows due to inflow and infiltration (I/I) ranged from 13 to 25 MGD's. The bulk of those totals was a result of storm water inflow at deficient points in the system. The new system will consist of lines parallel to the existing system which would carry sanitary sewerage only. The existing lines would remain wherever possible to handle storm water runoff. However, the remaining lines would not, by themselves, be adequate to handle the total storm drainage flow in the City (Sewer System Evaluation Survey, 1976).



Funds for this study have been provided by a grant from the Washington State Dept. of Ecology and the National Oceanic and Atmospheric Administration, Outer Continental Shelf Program.

HOQUIAM HOUSING STUDY

Grays Harbor Regional Planning Commission

Wilsey & Ham

September 1978

Because the new sewer system will be constructed to serve sanitary sewer needs only and infiltration from storm water will be eliminated, the efficiency of the sanitary sewer system will be increased. Consequently, there will be greater opportunities to develop areas that will receive these improvements, such as Beacon Hill (Map B).

Other areas, such as the Little Hoquiam Valley, would require improvements beyond those proposed in the E.P.A. matching grant. Presently, sewer lines extend along Queen Avenue to Tennis Ct., and south on Tennis Ct. to Court B. It is possible that a portion of the area near Tennis Ct. could be served by the existing lines, however to serve land on both sides of Endreson Road to the west, an additional pressure main and pumping station would be required. Sewage could be pumped to the south over the hill; to the force main on 5th Street or to the treatment plant.

The Riverdale/Woodlawn area sewer system was completed less than ten years ago and appears to have capacity to handle a substantial amount of new development. The City engineering staff completed a design capacity study of the Riverdale/Woodlawn pump station and sewer lines in April of this year which indicated that the present facilities could serve a population of 3,000 people; 2,000 north of Division St. and 1,000 south of Division. According to City staff the new zoning ordinance would designate this area primarily R-1, single family or R-2, single family and duplex. The R-1 zone would require 7500 square foot lots, the R-2, 5,000 square foot lots. Assuming those designations, the area could be developed in a combination of ways to a maximum number of units as described below:

Single Family @2.82 persons/household - 1063 Units

Multi-Family @1.81 persons/households - 1657 Units

Water:

The Department of Public Works has identified three major concerns regarding the existing water system:

- The City does not have enough knowledge as to the capability of the existing water supply system to adequately assess requests for new development
- State law mandates an update to the local Comprehensive Water Plan every five years and none has been initiated to date.
- A rate study is needed to determine the possibility and extent of water rate increases.

The average water consumption in Hoquiam is

approximately 2.1 MGD's. Because of apparent malfunctions in the City's filtration process, the daily production capacity of the system is suspected to be less than the total possible volume. As consumption increases, due to new residential, commercial and particularly industrial users, the average daily consumption begins to near an unknown production limit. Without further study, such as that required in an updated water plan, the extent of the problem is not known (Williams, 1978).

The availability of water is essential for new housing starts. At the present time, the City does not have enough information to establish limits for the number of water hook-ups available for new residential or industrial uses. Unless builders and developers are certain of obtaining continuing supplies of clean water, chances for new housing development are slim.

Roads:

The adequacy of roads in Hoquiam is a major concern of builders, developers and future residents. Few people are willing to invest money in land or homes unless they are served by adequate roads. To encourage new housing the City should develop a transportation plan and implementing procedure to improve and maintain existing roads that serve areas of potential development. The plan should identify the ultimate design function of the City's streets. As developments are proposed, the City may realize opportunities for obtaining street improvements. Developments that utilize existing public rights-of-way may be required to make some improvements on the portions of those streets which abut their properties. Depending on the location and amount of traffic served, those improvements may vary from just a paving section to streets with curbs, gutters and sidewalks. It is important for the City to realize that such improvements mean higher eventual housing costs. Consequently, decisions as to the type of improvements required should be considered very carefully.

Because of the variety in character of the vacant land in Hoquiam, street standards should reflect physical land characteristics as well as transportation needs. Many of the wooded, hilly areas may be best suited for minimum paving widths and improvements. In such cases, alternatives to wide paving sections, such as off-street parking and separated pedestrian pathways may serve their intended use just as well as a larger street section, with less impact on the site. The key

concept is to develop roadways which serve their intended and future uses with as little cost and impact on the area as possible.

Support Services:
The remaining public facilities that are essential to providing for new development include support services such as schools, parks, and police and fire protection. These functions are termed support services because they generally occur in response to, rather than prior to, new housing and population. However, the existence and quality of these services play a major role in marketing a city to potential developers and in turn, to potential new residents.

Schools should have adequate capacity for new residents as well as good facilities and a commitment to providing a quality education. Population increases and trends should be constantly monitored to be sure that classroom space and teachers are adequate at all times. The quality of a district's learning institutions is a major component in attracting new residents.

Other facilities such as parks, police and fire protection should be planned to meet any increases in population. Although actual implementation is usually not essential until new development is on-line or actually completed, the City should be committed to provide for these service increases, so that the new residents are provided for as adequately as existing residents.

Flood Plain:
Much of the land in Hoquiam is within either the 100 year flood plain or the floodway as described in the U.S. Department of Housing and Urban Development's (H.U.D.) Flood Insurance Study completed in January, 1978 (H.U.D.,1978). The purpose of the study was to aid in the administration of the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973, both of which deal with establishing flood insurance premiums. Many of the study's findings, which revolved around the adequacy of the dike system, are being contested by the City. The City is conducting surveys of the dike system to determine their actual heighth and physical condition.

The main impact of the study, as it is written, would be to raise flood insurance premiums on land within the flood plain and subject development of the land to federal flood plain regulations.

For the sake of development, it is important to make

the distinction between the flood plain and the floodway. The floodway line determines the point to which water would rise in a storm situation if the flood plain was completely filled. Consequently, development is not allowed within the floodway. The flood plain is the area of land subject to flooding given a certain intensity storm, in this case, a 100 year storm. Development is allowed within the 100 year flood plain if the finished floor elevation of the structure is at least as high as the highest flood plain elevation.

The two areas most affected by the flood plain are the Little Hoquiam Valley and Woodlawn. Most of the land on both sides of the Little Hoquiam River are within the 100 year flood plain, as is the northwest portion of Woodlawn. In the Little Hoquiam Valley, portions of the flood plain could be filled with earth from the adjacent hillsides to modify the flood plain. This is only feasible, however for a large scale development plan. Another alternative is to consider higher foundations or pole construction, depending upon the actual ground elevation. An additional concern in the Little Hoquiam Valley is soil conditions. General soils maps indicate the presence of very wet soils which could inhibit development. Only specific field survey will determine to what extent those soils exist.

Woodlawn also has an area of flood plain, but the major concern there appears to be soil condition. Some maps indicate that a large portion of the area is wetland, with very wet soil types. However, a field survey located many areas of fill material, which may have replaced the original soil. More specific investigation as to actual location and amounts of each soil type would reveal the adequacy of the land for construction.

In some cases, the physical constraints of land create more problems at the administrative level than they do in the construction phase. To try to eliminate the regulatory hurdle associated with developing in the flood plain, the City should continue their appeal of the Flood Insurance Study in hopes of reducing the amount of land within the 100 year flood line. At the same time, more specific site information is needed in the Little Hoquiam Valley and Woodlawn to determine actual buildability of the area.

Social:

The social attitude a community takes towards new housing is very important in attracting development. At the front-end of any development project is the land use administration process where plans are submitted and reviewed by the Planning Commission and the City Council for their conformance to local policies and ordinances. The time required to process these proposals is a direct overhead project cost to the developer, which must be regained at the time of lot sales. The expenses procured in this front-end time period are administrative fees, interest and inflationary costs, which result in "real" dollar costs to future home buyers.

The two primary areas in which the City can decrease these front-end costs are in zoning and subdivision (or P.U.D.) processing. Zoning ordinances should provide sufficient areas of properly zoned land for housing development. The requirements should, in general, continue to promote already established single family areas while also establishing multi-family areas in appropriate locations such as near major transportation routes, commercial facilities and recreation areas. Rather than placing the burden of change on the developer, the City can take the lead role and initiate zoning requests to provide adequate land for residential uses.

Once zoning is secured, it becomes the developers responsibility to submit a development proposal. If new housing is to be encouraged, it is important to realize which information the applicant is better equipped to provide and which the City is best able to supply. The developer, of course, is responsible for preparing the design and drawings necessary to present the proposal. However, some support efforts, such as identifying existing, surrounding conditions and notifying adjacent land owners' are often times more easily provided by the City staff. Developers often lose valuable time trying to secure information from different public agencies and local residents.

Once the proposal is packaged, it is reviewed by the Planning Commission at a public hearing. Because they generally only occur once a month, a denial or deferral at a public hearing is a costly proposition, especially when such decisions could have been avoided by better communication prior to the meeting. To reduce the processing costs to both the City and the developer, the proposal should be as complete as possible and reviewed by the appropriate public body prior to the public

meeting. Whenever possible, all appropriate decisions should be requested and decided on at one session, including zoning, conditional use permits and preliminary subdivision (or P.U.D.) requests, if necessary.

Other administrative measures that will encourage new housing include alternatives to existing development standards. Because of the many physical constraints on land in Hoquiam (i.e., slopes, vegetation, flood plains) Planned Unit Developments (P.U.D.) should be encouraged, especially in new development areas such as Woodlawn/Riverdale, Beacon Hill and the Little Hoquiam Valley. P.U.D.'s provide the benefit of open space to serve the new population and retention of natural site features. Also, reduced street sections as discussed previously, for public rights-of-way in particularly sensitive natural areas would encourage development as well as minimize the impact on the land.

The City can also promote new housing by reviewing any publicly owned, surplus land for development. The City and County own vacant land in the Riverdale Addition, and the Little Hoquiam Valley. The City also owns the vacant John Gable property near the high school. All of these areas should be reviewed to determine their most effective use. If housing is a priority the City should consider releasing some of their land for development. One method of releasing the land could involve an independent market appraisal to establish a fair price, then either auctioning the property or choosing a purchaser through a selection process.

In general, to encourage new housing development, Hoquiam should establish a "pro-housing" attitude. In addition to solving the necessary physical limitations to growth, the City should try to accomplish as much front-end work as possible, including processing, zoning and planning for support services. If the City does what it can do best and allows developers to do what they do best, new housing can be effectively produced.

Private Sector Barriers

Background:
Hoquiam has the potential for two types of new housing construction, pre-sold and speculative. Pre-sold housing is usually constructed on a one lot at a time basis, either for the future owner and inhabitant, or as a rental unit. Pre-sold housing, which can include both single family and multiple family units, is the type

of housing generally done in Hoquiam at the present time. Because construction of only one house at a time cannot bear large overhead costs, pre-sold housing is usually built on parcels that have existing public services available to it. As the available land inventory indicates, Hoquiam has land suitable for this type of "infill" development, primarily in the core area. Sections Six and Seven outline the steps necessary to encourage this type of new housing.

Speculative housing is constructed on the anticipation of attracting buyers upon completion, and predicated on the efficiency of mass production. Most often it is done on a larger scale than pre-sold housing, although in areas of high demand, speculative housing may occur on any available land. The advantages of speculative housing lie primarily in the ability to purchase land and materials and construct units in bulk, thereby reducing the per unit cost of the end product. Obviously, to mass produce housing, large parcels of land have to be developed into building lots with the necessary public facilities. Such developments require a number of different capabilities to complete successfully.

The expertise involved in land development includes management, construction, engineering, design, real estate and finance. First of all, a piece of vacant land large enough to accommodate building lots must be secured. The land generally ranges in parcel sizes of 3 acres and larger. This does not exclude smaller pieces, but the larger the parcel, the more effective the mass production process. Generally, a developer then secures all the necessary public approvals for the development, including zoning, if necessary, subdividing and platting. Then, public facilities are constructed such as storm and sanitary sewers, water, electrical and heating lines, and roads. At this point, depending on the expertise of the developer and the number of lots created, the lots are either sold to independent builders or the developer himself begins to construct units. Some large home building firms act as their own developers, however the majority of builders do not have the expertise or the financing to manage and construct a large development.

In general, prospective developers and builders analyze the following factors before considering development in a new area:

- availability of reasonably priced land
- an adequate number of local builders to complete the development (if the developer is not building it himself)
- availability of adequate financing for new housing
- local housing market

Available Land:

Of primary importance in housing development is the availability of reasonably priced land. If buildable land is in short supply, prices may be too high to assure the developer a fair return on his investment. As the available land inventory reflects, there is buildable land in Hoquiam. However, at the present time, much of the land is in need of some type of public improvements. As a result, the price of land that does have the necessary improvements is high. If additional land was provided with public sewer and water for example, the cost of available land would be more competitive. Also, by offering any vacant public land at a fair market price, the City could help establish fair land values.

Local Expertise:

A second major concern is the amount and quality of local development and construction people. Land developers must have sufficient capital to purchase land, pay for the necessary design and engineering costs and construct the base improvements. They must also be able to hire and manage construction crews to perform the appropriate work. Perhaps most importantly, there must be an adequate supply of local builders to purchase the lots and construct the homes once the development is ready. Most developers wish to have as many different builders as possible working in one development to provide a variety of housing styles and designs. Even large building firms who develop their own lots prefer to sell a portion to independent builders. Once a development is ready for home building, it is essential that the developer turn the lots over as quickly as possible. If there are not enough builders to construct the entire development, the developer loses money having to retain the lots.

The number of builders in Hoquiam may pose a significant problem to any development in excess of 40 to 50 units. If a developer is not assured of the necessary number of builders, the City must either try to attract more builders, or firms with the capabilities to develop land and construct homes.

Financing:

Almost all new housing starts, whether pre-sold or speculative, require some type of institutional financing, either from a commercial bank or a savings and loan. The financing may range from a simple first home mortgage to a loan package that includes land sale and improvement costs for a new subdivision. Savings and loans have traditionally been the largest lenders for housing transactions and the Hoquiam-Aberdeen area has many from which to choose from. However, most of the transactions in Hoquiam have involved existing homes, as very little speculative housing has been attempted.

In the last six months, financing for housing in the Northwest has been increasingly difficult to secure, even in areas with very strong markets. Convincing lending institutions of the financial security of speculative housing in Hoquiam may be a formidable task.

Unfortunately, there are no hard and fast rules of thumb lenders use to allocate loans. General rules, much the same as those outlined in this section, are used by lenders as well as developers. However, each loan request is viewed on its own merits, which make generalizations difficult. Because Hoquiam does not have a great deal of experience with speculative housing, some lending institutions may be reluctant to provide financing. If that is indeed the case, local builders may need to look elsewhere for loans and the City may wish to encourage out-of-town developers with their own financial backing.

Market Evaluation:

Prospective developers look at a number of factors in evaluating a potential housing market. Each evaluation must take different things into consideration, including size and location of the area. For example, although Hoquiam and Redmond, Washington have approximately the same populations, a similar market analysis would be futile as Redmond is so vitally dependent on the Seattle metroplitan area, whereas Hoquiam is much more self-sufficient. In general, a market analysis involves the following components:

- recent housing activity
- vacancy rates
- population trends
- new industrial growth
- character of the existing housing stock
- local housing prices

Recent Housing Activity:
Hoquiam has been lacking in new housing starts since the 1940's. However, recent activity in adjacent areas indicates that there is a potential for attracting new families to Hoquiam. This category is generally more important in larger, more urbanized, metropolitan areas where population trends fluctuate more often. However, any potential home builder will be wary of the lack of recent housing construction in Hoquiam.

Vacancy Rate:
As Section Four points out, the vacancy rate in Hoquiam is quite a bit below the optimum in both single and multiple family dwellings. This indicates to the potential builder that there may be residents who are forced to reside in housing that they do not desire, and that given a choice, they may be willing to move to a new dwelling.

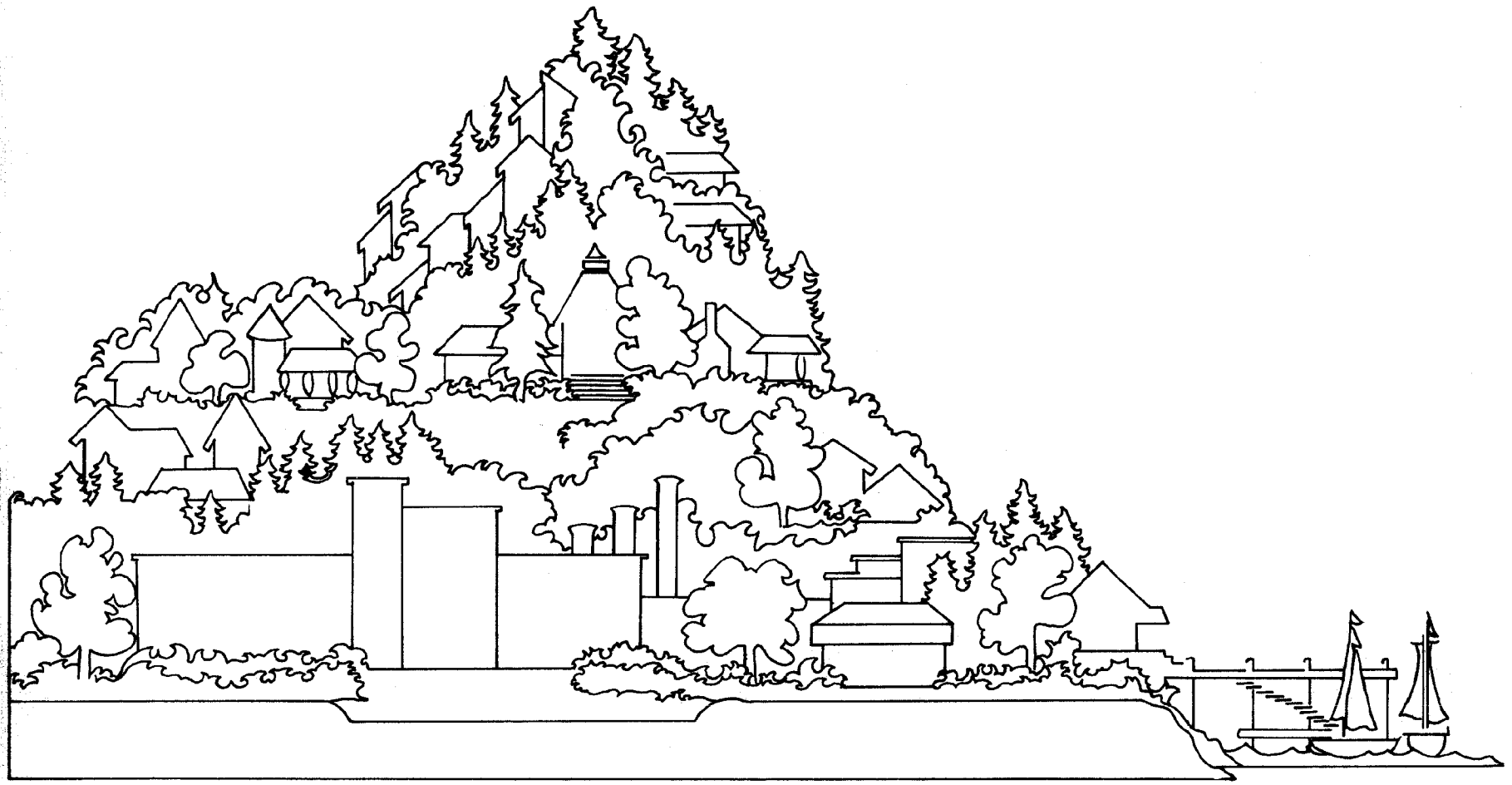
Existing Housing Stock:
This evaluation is important, particularly when combined with existing vacancy rates. If the majority of housing is old, as it is in Hoquiam, and the vacancy rate is low, there is a good chance that similarly priced new housing could compete successfully in the local market place.

Housing Prices:
When combined with the previous two categories, this analysis may well point to significant market characteristics. A combination of low vacancy rates, old housing stock, and high housing costs, all of which exist in Hoquiam, indicate that people do not have an adequate choice of housing. If a builder or developer can produce housing with competitive prices he has an excellent chance of selling or renting the units. The choice to the residents becomes one between old housing and new housing at comparative costs.

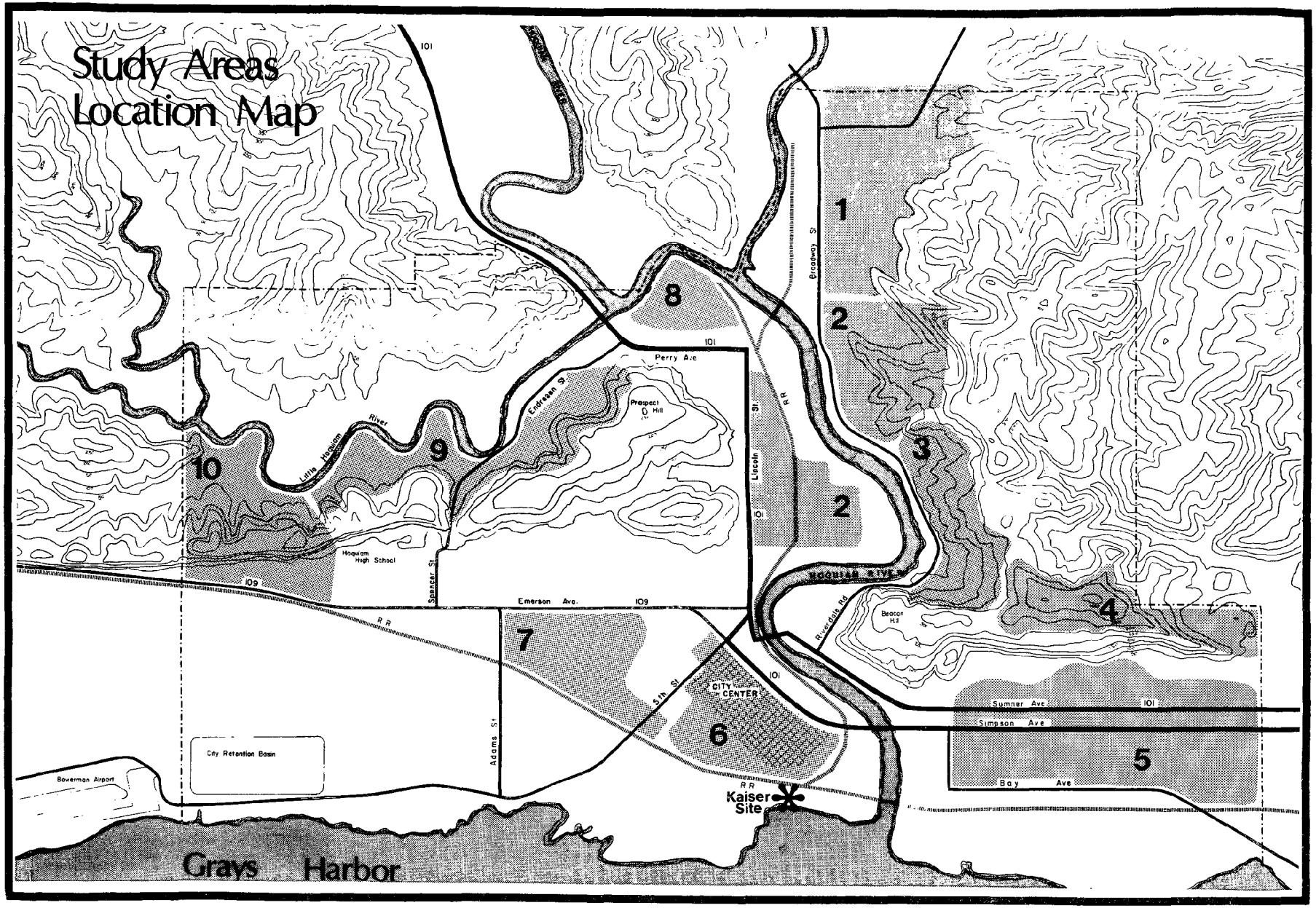
Population Trends: Standard growth trends are also reviewed by prospective builders and developers. They review whether the city is growing faster or slower than adjacent areas and what future population figures are projected to be. In addition, trends toward smaller households, different age groups and mobility are noted. Often times, the market analysis will focus on a broader population area (such as Western Grays Harbor County) knowing that more localized trends are often the result of available housing, school preferences and other extraneous factors.

New Industrial Growth:

More important than general population trends are planned increases in population due to specific industrial growth. Whereas general trends are a combination of many factors, a proposed industrial development is an indication of new people at a specific time. Also, new industrial enterprises tend to attract others, thus increasing the prospects of a larger market. The recent industrial growth in and near Hoquiam, and the proposed Kaiser facility, are examples of solid housing market characteristics.



Section Six : Potential Development Area



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SECTION SIX

Potential Development Areas

Area No. 1 - Woodlawn

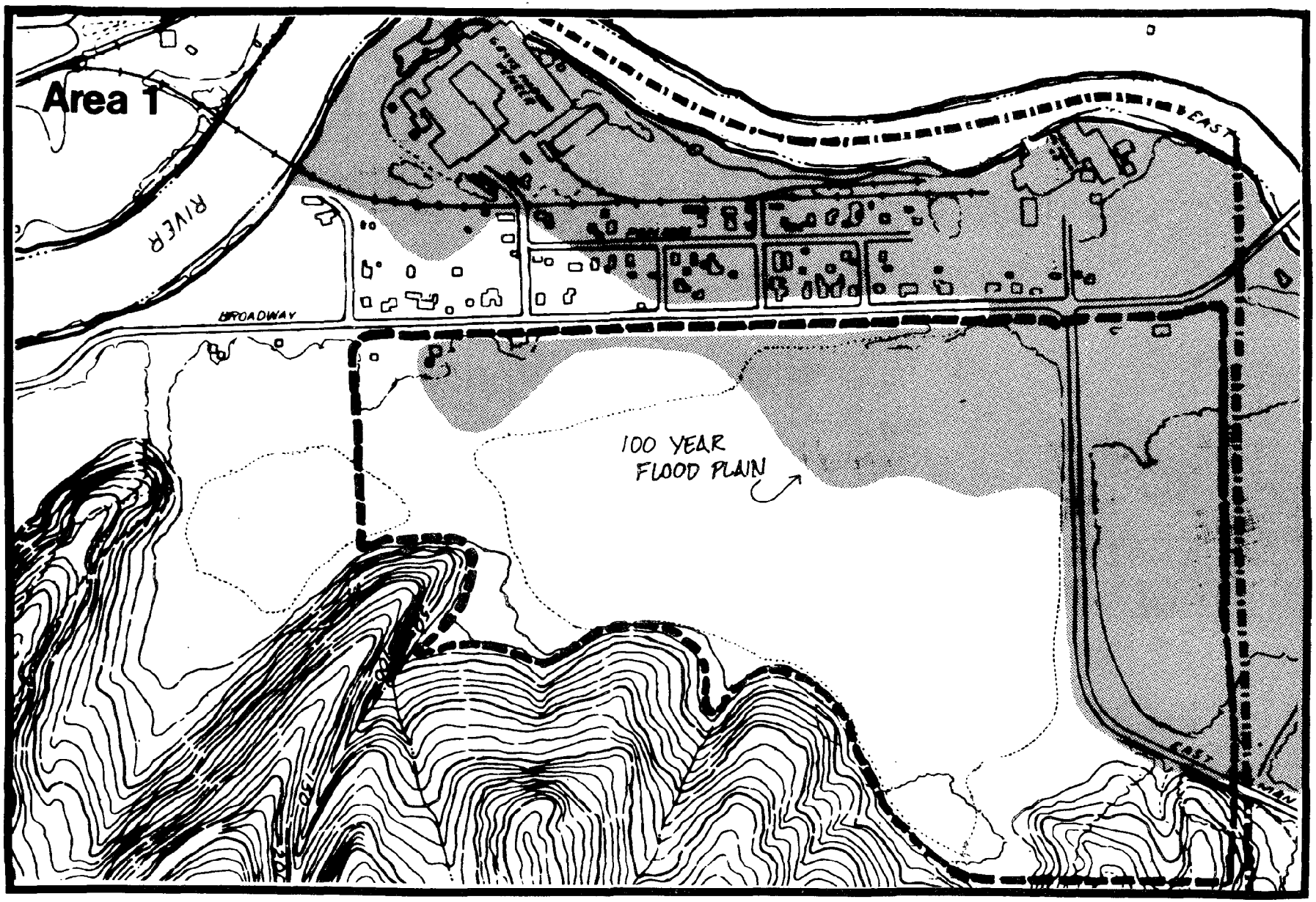
General Comments: Woodlawn, which has consistently been described as Hoquiam's "area of the future," contains more than 450 acres of vacant land. Although steep slopes make much of the land extremely difficult to develop, there is approximately 130 acres just east of Broadway suitable for housing.

Potential for Housing: Of the 130 acres, roughly 40 are within the 100 year flood plain. Excluding another 20 percent for roads leaves a net developable area of approximately 72 acres. At the current RS-5 zoning, the area could accommodate 627 houses. The City has indicated that the new zoning ordinance would most likely re-classify the area R-1, which requires 7,500 square foot lots, resulting in a potential 418 single family homes. A number of factors would influence the final number of units available from this area, including actual zoning, flood plain modification, land parceling and site design. However, the key point is that Woodlawn, along with Riverdale (Area Map 2) are two areas with significant potential for growth.

Public Facilities: Sanitary sewer and water lines exist along Broadway and Panama Streets. The actual number of available water hook-ups is questionable, although the water system is designed to accommodate the entire area. It has been estimated by the City that the sewer system in Woodlawn could accommodate as many as 3,000 people, or more than 1,000 new housing units (Hoquiam Public Works, 1978).

Possible Contraints: On-site review of the Woodlawn area uncovered a fair amount of wet soil types, caused either by runoff from the hills or high ground water levels. Runoff from the hills could be drained through a storm water system as part of an overall development plan. High groundwater levels may require fairly extensive amounts of fill to provide a solid construction base. More detailed site work is necessary to determine the source and extent of the on-site water.

Strategies: If the soil types in Woodlawn can handle road and house construction, the area is available for immediate development. If the site requires filling, it is possible that can be obtained from the dredge spoils material extracted from Grays Harbor by the U.S. Army Corps of Engineers.



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September 1978

Woodlawn, along with Riverdale provide a large enough area to attract a major housing development. Much of the land in both areas is immediately available for housing. The land that isn't can be made available through public action regarding flood plain development and the possible disposal of dredge material.

Area No. 2a - Riverdale

The Riverdale Addition consists of approximately 45 acres of vacant land which varies from steep, wooded hillsides to flat grassland. The original plat divided the land into 399 lots of 4,000 square feet apiece, only 25 of which are currently used. Of the remaining 374 lots, Grays Harbor County owns 217, the City owns 8 and private individuals own a total of 174. Presently, the City is pursuing the purchase of the County's lots.

Potential for Housing: Although 374 vacant lots remain, many of them are impossible to provide access to or to build on. It is unlikely that 374 single family units could be constructed in the area, even through the use of a P.U.D. The current zoning would only allow 196 units, while the proposed R-1 zone would allow 261.

Public Facilities: Sewer and water lines are available in Riverdale Road. The sewer lines connect to the Division Street pump station, which has sufficient capacity to handle the ultimate development.

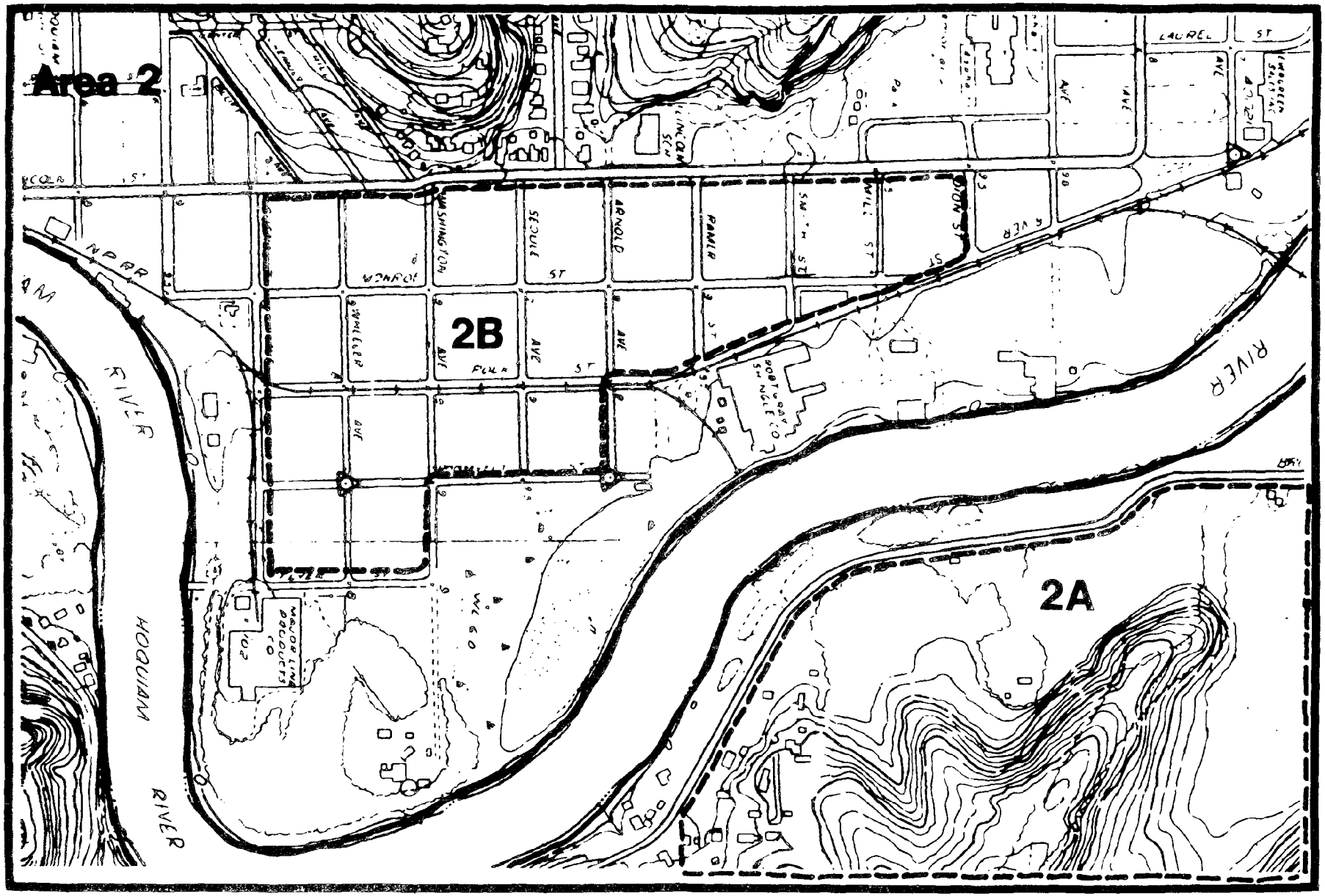
Potential Constraints: Although no major regulatory constraints apply to the site, access to portions of Riverdale may be difficult and expensive. Almost one-half of the area is flat and could be developed at relatively little cost. The steeper portions of the site would require substantial grading for road and building construction.

Strategies: The City should continue to pursue the purchase of land in Riverdale, both public and private, if possible. Once obtained, the land should be sold at a fair market price to a developer with the stipulation that it be re-platted and used for housing.

The actual site development should be done as a P.U.D. to make the best use of the buildable land. Because of the topographic variety on the site, a mixture of residential densities, including four plexes, tri-plexes, duplexes and single family units should be considered. This variety would provide a choice of housing price as well as style and help to meet the housing need of a broader segment of the population.

Area No. 2b

General Comments: Area 2b consists primarily of old, single family dwellings on 5,000 square foot



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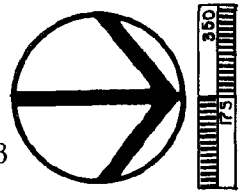

lots. The area is bounded by industry along the river and the hills to the west. The housing inventory indicated that more than two-thirds of the existing structures south of Soule Avenue and more than one-half of those north, were beyond feasible rehabilitation. An area-wide renewal plan would provide needed housing as well as neighborhood improvement.

Potential for Housing: Most of the lots in Area 2b have 40 feet of street frontage, which is currently allowed in the RS-5 zone, but would be allowed only in the R-3, residential mixed zone of the proposed zoning ordinance. Because of the proximity to employment centers and Lincoln Street, a main arterial, this area could serve well as a combination single family and multi-family residential zone. The maximum number of units allowed in the area under an R-3 zone would range anywhere from 600 single family units to 800 units at maximum multi-family density.

Public Facilities: Scheduled improvements to the sewer lines will improve the existing service in the area. Because most of the development would be replacement units rather than new units, increased sewer capacity is not necessary. New housing in this area could begin almost immediately.

Potential Constraints: The obvious constraint is the number of houses in very poor condition, which should be improved or replaced. Because of the existing housing shortage, displacement of any significant number of residents for even a short period could create a serious problem unless other, new housing was available.

Strategies: Area 2b requires a major rehabilitation and renewal effort. Wherever possible, residents should be encouraged to improve their properties, however in the areas beyond feasible rehabilitation, renewal projects should be considered. The City should increase their building inspection efforts so that owners are required to comply with State and local fire, health and safety codes. The H.C.D. Small Cities Block Grant Program described in Section 6, specifically earmarks funds for neighborhood rehabilitation, including infrastructure and housing improvements. Although the City did not receive H.C.D. money for 1978, H.U.D. representatives in Seattle indicated that Hoquiam was ranked first out of those cities that did not qualify. It appears that the chances for funding in 1979 would be good.

Urban Development Action Grants (U.D.A.G.) are also available for neighborhood improvements, including housing renewal, if they are deemed necessary for economic development. The housing need generated by the Kaiser facility would help Hoquiam qualify for these grants.

Due to the magnitude of the improvements required in this area, some form of public assistance will probably be necessary. The programs outlined in Section 6, including the two described above, are the type that the City should continue to pursue. Because competition for these grants is keen, the City should consider using outside sources with experience in grant writing for preparation of these proposals. The near success of the 1978 H.C.D. proposal should provide encouragement for continued pursuit of federal money.

Area No. 3a

General Comments: Area 3a is located just south of the Riverdale Addition (Area Map 3) to the east of Riverdale Road. Most of the land in this area is very steep and hard to develop, however, this particular site has slopes of only 7-14 percent which would allow access from Riverdale Road. There are approximately 7 acres of buildable area in this site, which could be developed separately or as a part of the Riverdale Addition.

Potential for Housing: The existing RS-10 zoning would allow 24 units on the site, however, the proposed zoning ordinance would most likely classify the area R-1, which would allow 32 units. The amount of site preparation and construction costs required to develop the property would probably result in a fairly high priced unit cost.

Public Facilities: Sewer and water lines adequate to serve the site are located in Riverdale Road. This area is served by the Woodlawn pump station which has the capacity for more than 1,000 new housing units.

Potential Constraints: Unlike most of the hills east of Riverdale Road, this site has slopes which are manageable for road and house construction. The constraints may turn out to be economic, however, as the cost of the units will reflect the construction costs of the site improvements. This site, like Riverdale should attract higher-priced housing because of the natural amenities, and may develop a character like that of Beacon Hill.

Strategies: The potential for developing this piece as a part of the Riverdale Addition should be explored, especially because this site offers access to the hills from Riverdale Road. The use of Planned Unit Developments (P.U.D.) should be encouraged to maintain the existing character of the site while limiting

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HOQUIAM HOUSING STUDY

Grays Harbor Regional Planning Commission

Wilsey & Ham

September 1978

the amount of site grading required.

Area No. 3b

General Comments: Also on the east side of Riverdale Road, this site contains roughly 32 acres of wooded hillsides with slopes ranging from 10 to 20 percent. As with the previous site, the key is the availability of access off of Riverdale Road. Although this area lies just north of Beacon Hill, access from Highland Drive does not appear feasible.

Potential for Housing: The existing RS-10 zoning would allow 111 units, while the proposed R-1 zoning would allow 148. As with the previous site and Beacon Hill, this area is more suited for higher priced homes because of the land development costs.

Public Facilities: Although sewer and water lines exist on Riverdale Road, they would have to be extended 200-300 feet to serve the property. Because of the topography, the site may have to be served by both the Woodlawn and Riverside pump stations. The Riverside system is undergoing improvements under the proposed facilities improvement plan which should aid any development plans for this area.

Potential Constraints: In addition to the need for sewer service, Area 3b has had a history of soil instability, evidenced by the shifting of Riverdale Road (Williams, 1978). The extent of soil movement cannot be determined without a soils survey. The site may warrant special development and construction techniques; consequently, housing prices will reflect those additional costs. Development of this area would probably take on a character similar to Beacon Hill, with higher priced, view lots, suitable for high income earners, such as new Kaiser administrators or highly paid laborers.

Strategies: The use of P.U.D.'s should be considered in all areas of this type. In any site such as this, development will be more difficult in certain areas, and thus units should be located on the most buildable land. Also, reduced road standards will lessen the earth work required and will be more compatible with the natural character of the site.

Area No. 4a - Beacon Hill

General Comments: Beacon Hill has become an area of very fine homes, characterized by large lots and beautiful settings. Although it certainly does not meet the housing need of all income ranges, it does provide the possibility for continued development of higher priced homes. Development in the area is not inexpensive, but there is

buildable land available along North Highland Drive.

Potential for Housing: In Area 4a there is land to accommodate 60-70 new homes, most of which would be located on the plateau north of North Highland Drive. There may also be a few building lots available along the south side of the road, but most of that land has been developed.

Public Facilities: Sewer lines are located on North Highland Road which serve existing homes on the hill. These lines would have to be extended to the northeast to provide service to the area indicated on Map 4. Water is available from the tank located within Area 4a. North Highland Drive currently provides the only access to Area 4a. Development of the land could provide a loop system extending from the existing road, which would be an improvement over the current dead-end situation.

Potential Constraints: Because of the land values and engineering required, costs of developing the land would make this primarily a higher income area. As Section 4 pointed out, the Kaiser facility would generate a need for this type of housing. With proper development, Area 4a would make a nice addition to current housing on Beacon Hill.

Strategies: Other than the general strategies recommended in Section 6, the City should consider some kind of shared cost approach with a developer to provide water service to the area. The City should also encourage the use of P.U.D.'s to allow more sensitive site development.

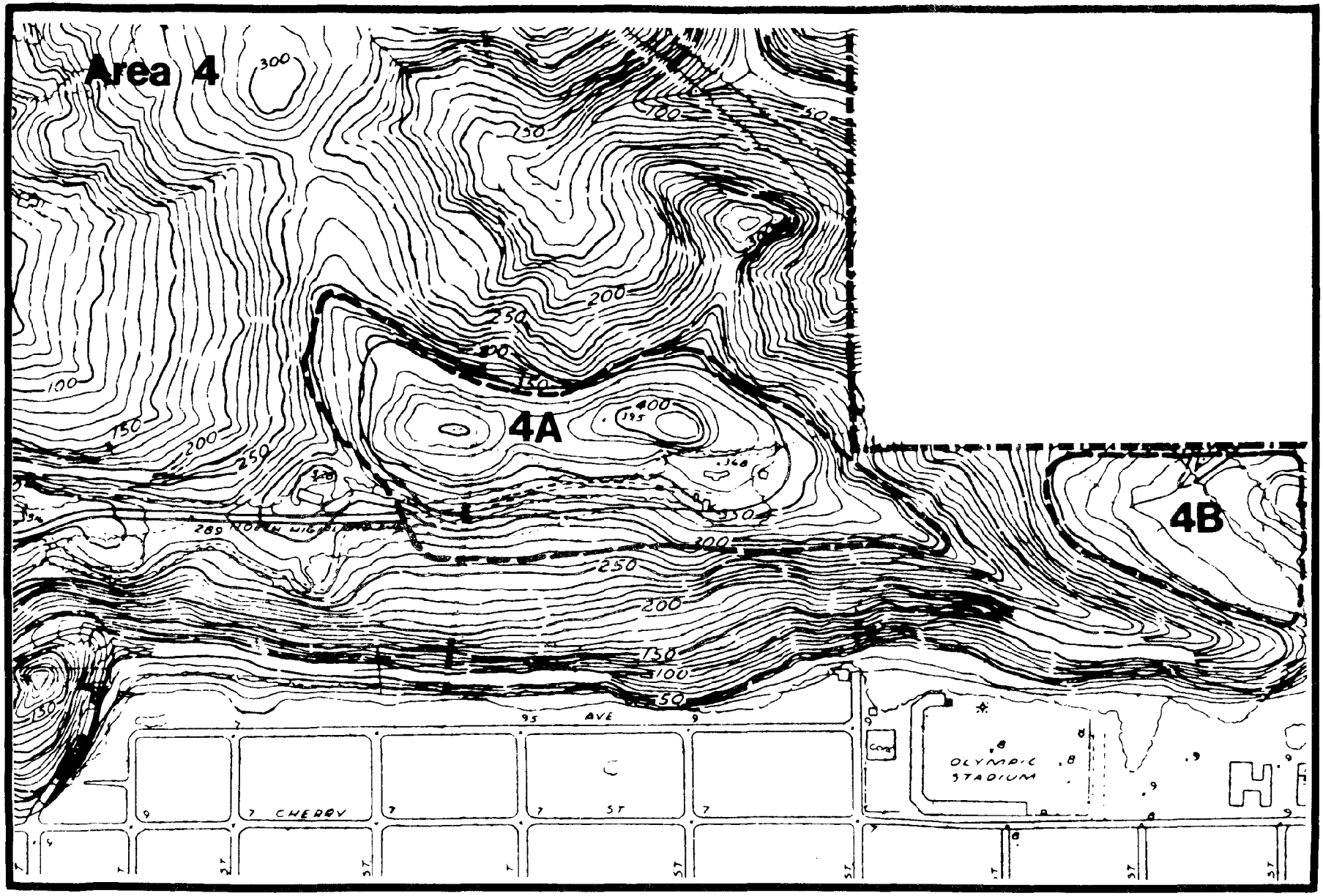
Area No. 4b

General Comments: Area 4b is located near the eastern edge of town, behind the Olympic Stadium and consists of wooded hillsides ranging from 7 to 14 percent in slope. Unlike most of the hillsides north of town which are too steep, roadway access to this site is possible just west of Myrtle Street.

Potential for Housing: The site is currently zoned for multi-family residential use, which would allow 230 units.

Public Facilities: Sewer and water lines are located on Cherry Avenue and would need to be extended through existing developed properties. Road access could be obtained from Myrtle Street without disrupting any existing land uses.

Potential Constraints: Multi-family development may require more site work and preparation than single family development, thus a developer may request a down-zone proposal. The site has many



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HOQUIAM HOUSING STUDY

Grays Harbor Regional Planning Commission

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September 1978

advantages and very few constraints for either type of development.

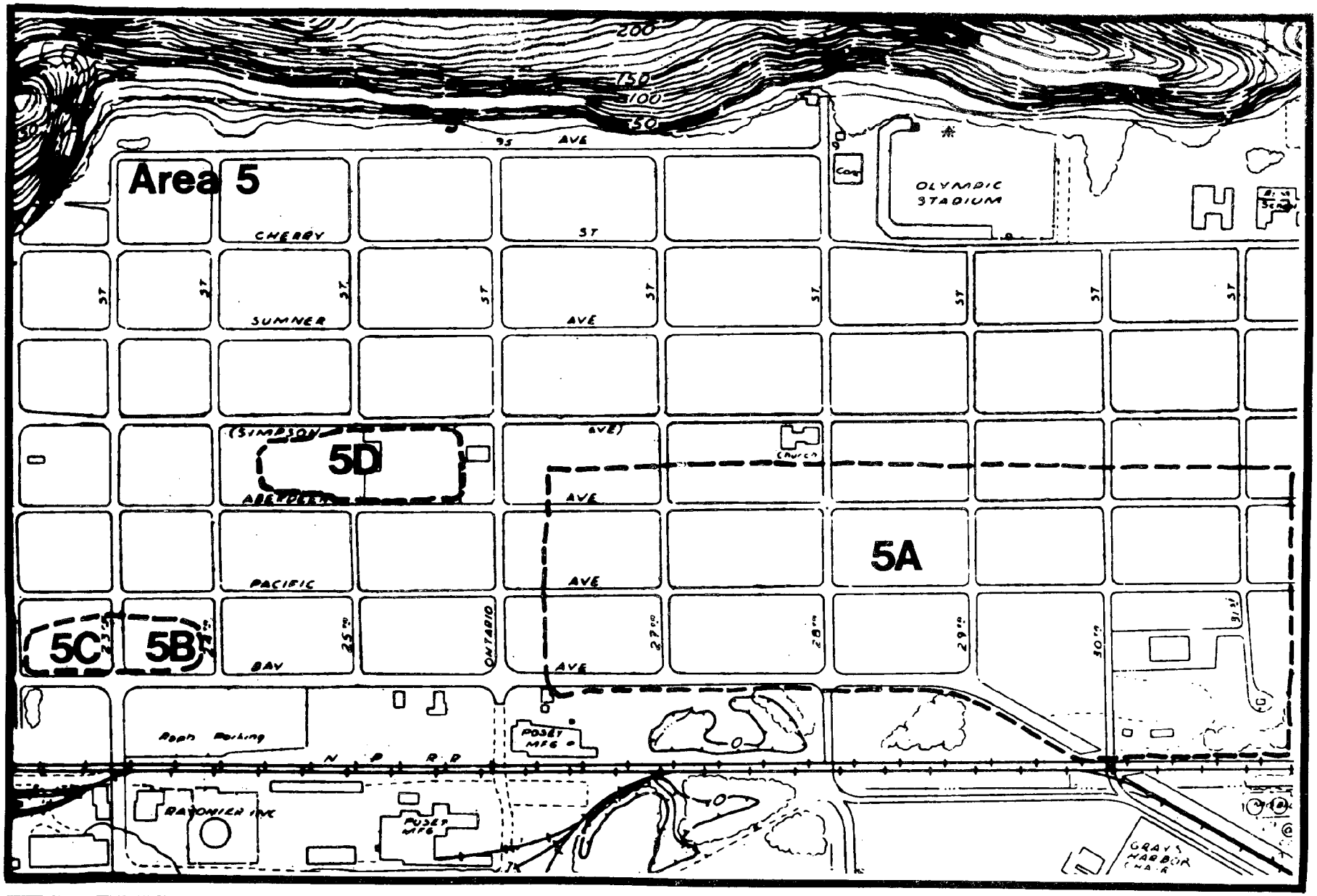
Strategies: This site offers an immediate potential for new housing development, and is the type of area that the general strategies of Section 6 are directed towards.

Area No. 5

Potential for Housing: In Area 5a there are 15 vacant lots zoned for single family development. There is also one-half block located between 23rd and 29th Streets which is vacant and zoned for a maximum of 13 multi-family units (5b). Across 23rd Street is a similar vacant lot which is zoned for industrial use (5c). The old Washington School site between Simpson and Aberdeen (5d) is also vacant, but zoned for commercial use. These two parcels, if properly zoned, could accommodate a total of 61 multi-family units. The feasibility of residential use versus the parcels' respective zoning should be considered by the City as well as the property owners. The old school site could, for instance, be developed with a combination of commercial and residential uses.

Public Facilities: There would be no need for additional public facilities except for the connections from the new units to existing laterals in the public right-of-way.

Potential Constraints: The land that is already zoned for residential uses has no readily identifiable constraints to development. However, two parcels would require zone changes prior to residential development.



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Grays Harbor Regional Planning Commission

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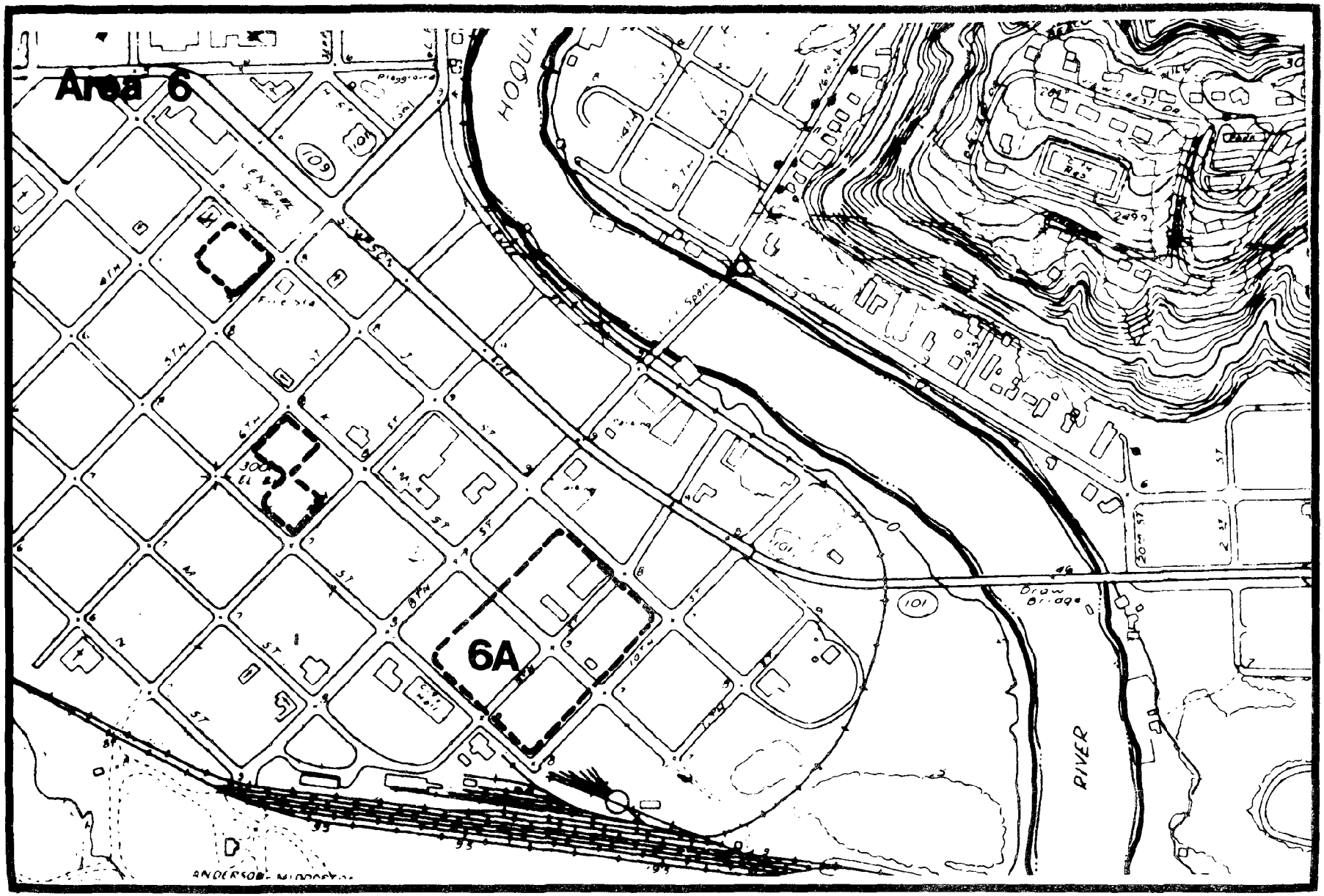
September 1978

Area No. 6

General Comments: Area 6 contains only three vacant parcels of land that are zoned for residential development. Combined they could provide a maximum of 18 multi-family units. All necessary services are available to these sites.

Area 6a shown on Area Map 6 contains 1.7 acres of land adjacent to the old urban renewal area. Some of this land is vacant and portions of it contain old houses in poor to moderate condition. The area is currently zoned for commercial use, but an RM zone, which would appear appropriate adjacent to future commercial uses, would allow a maximum of 49 units.

The City should re-assess the amount of land zoned for commercial use. If it exceeds the amount needed, steps should be taken to designate some of it for residential use.



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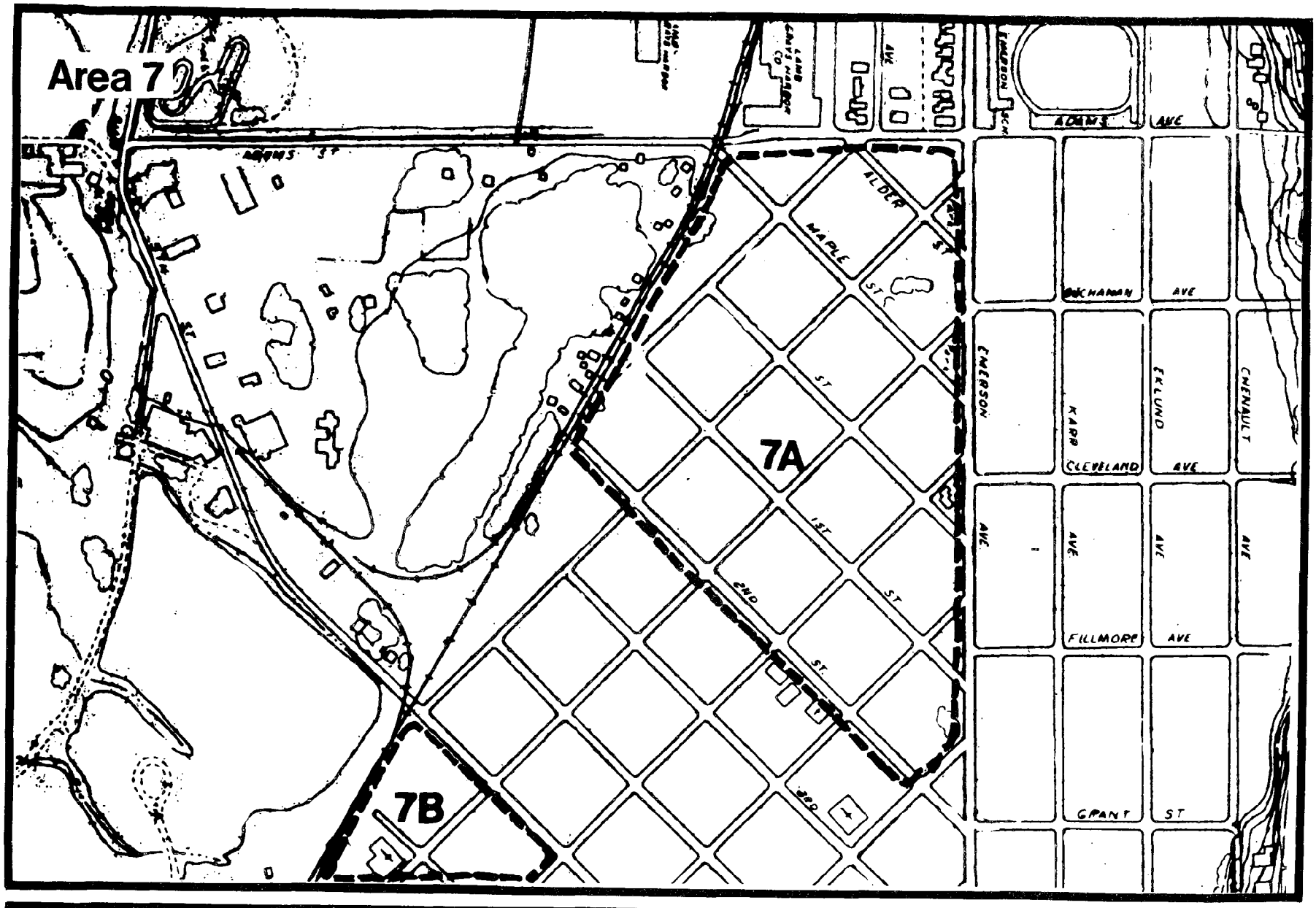
September 1978

Area No. 7

General Comments: Area 7 is an example of a stable neighborhood in Hoquiam with relatively little opportunity for infill development. There does, however, exist 6 vacant single family lots in Area 7a and one vacant multi-family lot which could accommodate 3 units in Area 7b.

All of the sites have services available to them, therefore the cost of developing these sites would be low. These low development costs should, in turn, be passed on to the homebuyer.



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Grays Harbor Regional Planning Commission

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September 1978

Area No. 8

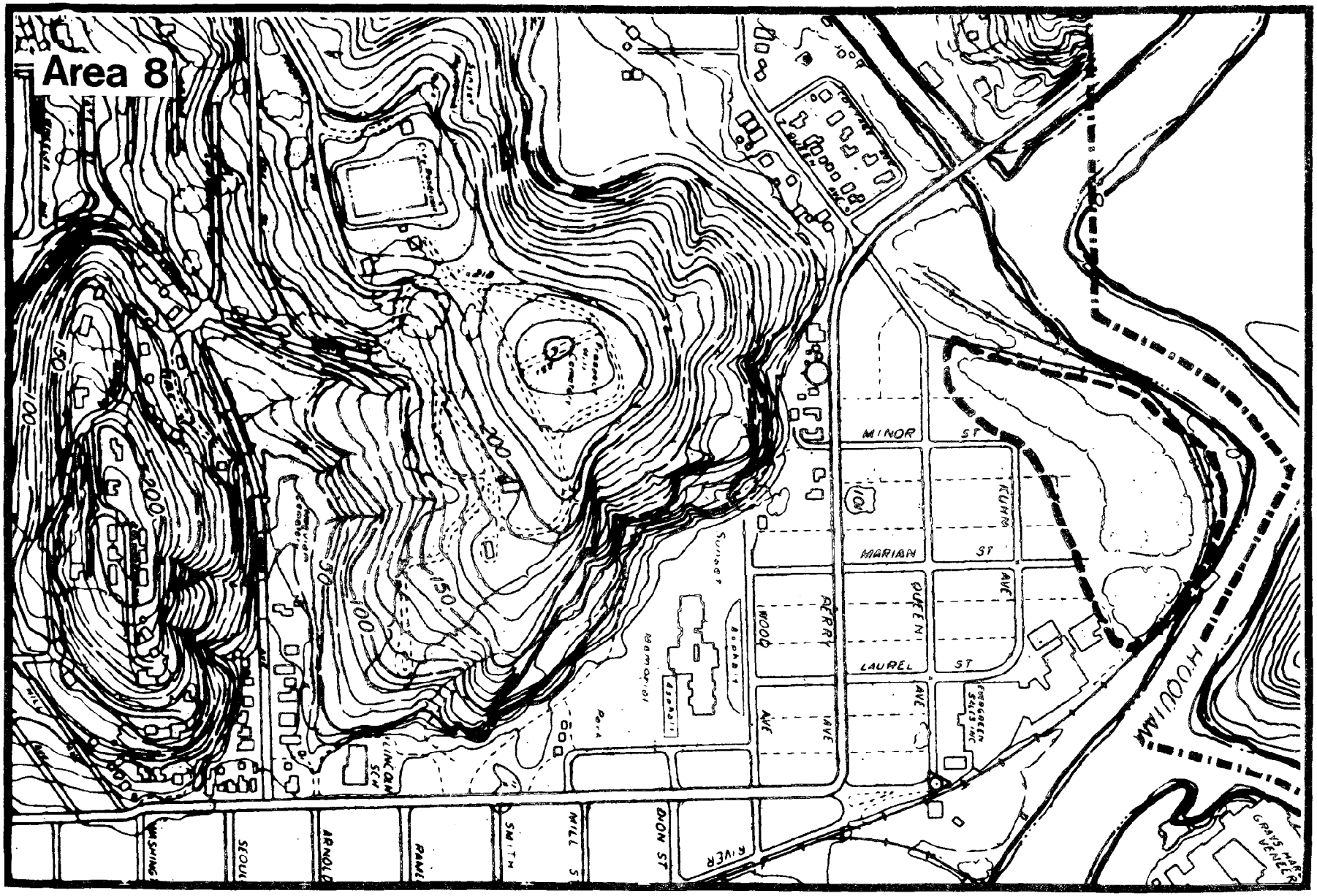
General Comments: In Area 8 there is vacant land suitable for development north of Kuhn Street along the Hoquiam River. Covering approximately 12 acres, this site is currently zoned for industrial use. However, an adjacent parcel to the west has recently been re-zoned and developed for multi-family use. With proper zoning a similar development could be accomplished on this land. The site is protected by a dike on the south shore of the river and is located above the 100 year flood plain elevation.

Potential for Housing: If the site was re-zoned to conform with the property to the west, it could accommodate approximately 100 multi-family units. A single family zoning designation (RS-5 or RS-10) would allow 50-100 units, depending on the lot size requirement.

Public Facilities: Water and sewer lines are available to the site in Marian and Kuhn Streets. The sewer lines feed to the Queens Street system, which is scheduled for improvements through the federal matching grant program. Upon completion of the sewer improvements, there should be capacity to serve a multi-family development in this area.

Potential Conflicts: The necessary zone change would replace industrial zoned land with residential zoned land, consequently the potential effects to industrial growth should be considered. If the need for more residential land outweighs the need for more industrial land, the necessary change may be in order.

Strategies: The City should consider initiating a zone change on the site to allow for a residential use. That, combined with the general strategy to speed up the building approval process would make this area ready for development.



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September 1978

Area No. 9 - Little Hoquiam Valley

The Little Hoquiam Valley, indicated on Area Maps 9 and 10, contains roughly 100 acres of vacant, buildable land. However, two major factors, the 100 year flood plain and the lack of sanitary sewer service, place constraints on all but a very small portion of the total acreage. For that reason, the area is discussed here in two parts; one being the land that is above the flood plain and having sewers available to it and the other being the remainder of the buildable land in the Valley.

Area No. 9a

Potential for Housing: This 12 acre site would be allowed 46 single family units at the current RS-10 zoning and 61 units at the proposed R-1 zoning. The topography lends itself well to road construction and housing development while offering nice views to the northwest.

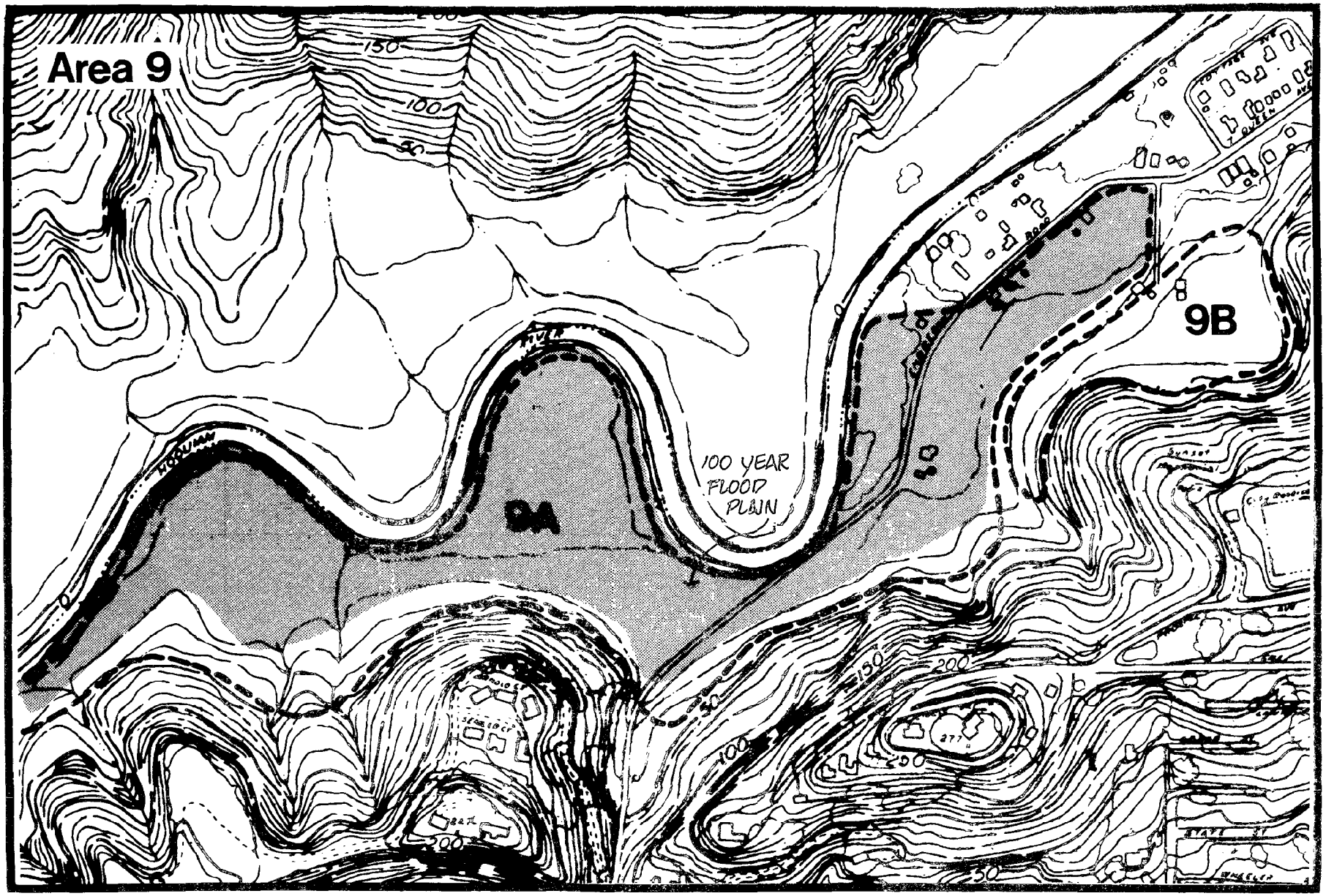
Public Facilities: Sewer and water lines are available to the site in Tennis Court. The sewer lines are part of the Cottage subsystem, which, like most of the others in the city, is inefficient and scheduled for replacement. A twenty inch water main, which runs from the City reservoir to Endreson Road is located in this area.

Potential Constraints: Assuming replacement of the existing sewers, there are virtually no physical constraints to development. However, roadway improvements along Tennis Court and Endreson should be considered, either by the City or as part of a proposed development plan.

Strategies: Although this area in itself offers a strong potential for new housing, it should be considered along with plans for the remainder of the Little Hoquiam Valley. Because there is vacant land within the 100 year flood plain between this site and Endreson Road, some effort should be made to promote a development plan that makes use of both portions. Such an effort could be part of the City-wide flood plain strategy proposed in Section Six.

Area No. 9b (Maps 9 and 10)

Potential for Housing: Under the current zoning 306 units would be allowed on the remaining 88 acres of vacant, buildable land in the Little Hoquiam Valley. The proposed zoning would allow 408 units. This figure is based on total development within the area noted 9b on Maps 9 and 10. Obviously, such development is only possible given certain regulatory conditions (i.e. flood plain) and physical conditions (i.e. sewer extensions).



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September 1978

Public Facilities: Sewer lines are currently available on Endreson Road only as far west as Tennis Court. The City has discussed the possibility of extending the sewers along Endreson but no commitment to such action has been made. Water lines run the distance of Endreson but would have to be extended west through the Valley to serve new development.

Potential Constraints: The major constraints to new housing in the Little Hoquiam Valley are the lack of sewers and the 100 year flood plain. The flood plain question should be addressed as a major policy issue as it affects a large portion of all the vacant land in the City. The sewer issue can be addressed specifically as it relates to new growth in this area.

To supply service to new houses in the Little Hoquiam Valley, an extension of existing sewer lines as well as a new pump station are needed. A pressure line could be extended to the northeast along Endreson to the Queen Street pump station or over the hill to the south and into gravity lines feeding the treatment plant.

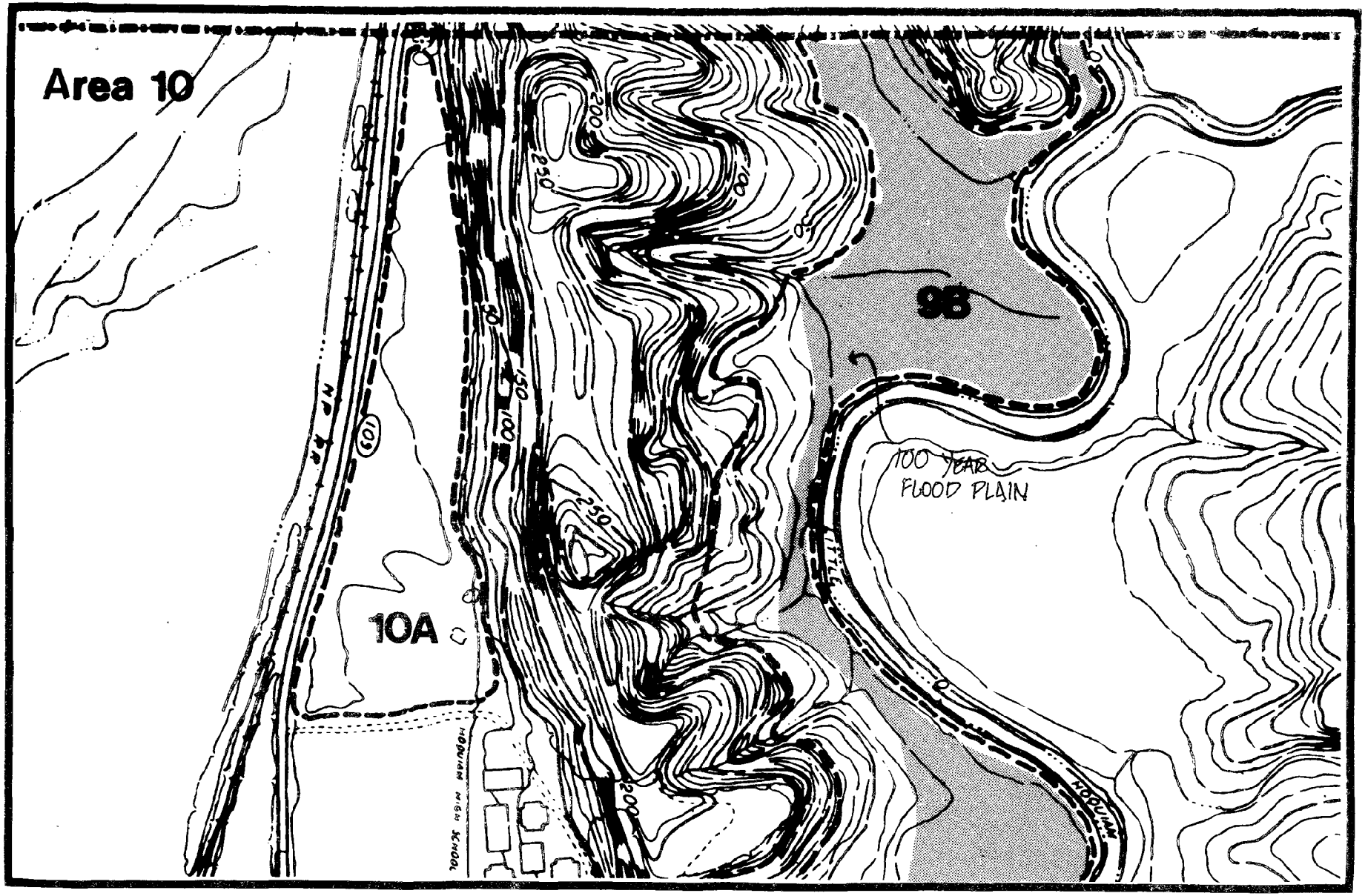
Strategies: Section Six outlines possible strategies for flood plain development which would play a major role in making land available for housing. The City should also study carefully the possibility of constructing a new sewer main and pump station in the Little Hoquiam Valley for future housing development.

The constraints in the Little Hoquiam Valley make immediate development on all but a very small portion of the land difficult. However, if new housing does indeed begin to increase, what available land there is in the city may soon be used up. To avoid being caught short of land, the City should begin to develop plans in this area to meet longer range housing needs.

Area No. 10a

General Comments: The City owns this 13 acre site adjacent to the High School and has discussed the possibility of using it for housing or as a park. Recently the Bishop Foundation has offered the City a 25,000 dollar matching grant to be used for park development of the site. To match the grant, the City must provide 75,000 dollars, which would be used for park development. The following discussion is not meant as a recommendation for housing on this site, but is offered merely as an evaluation of the site's potential.

Potential for Housing: The site is zoned RM, multi-family residential, which would allow approximately 113 units on the site. Development would be rela-



Funds for this study have been provided by a grant from the Washington State Dept. of Ecology and the National Oceanic and Atmospheric Administration, Outer Continental Shelf Program.

HOQUIAM HOUSING STUDY

Grays Harbor Regional Planning Commission

Wilsey & Ham

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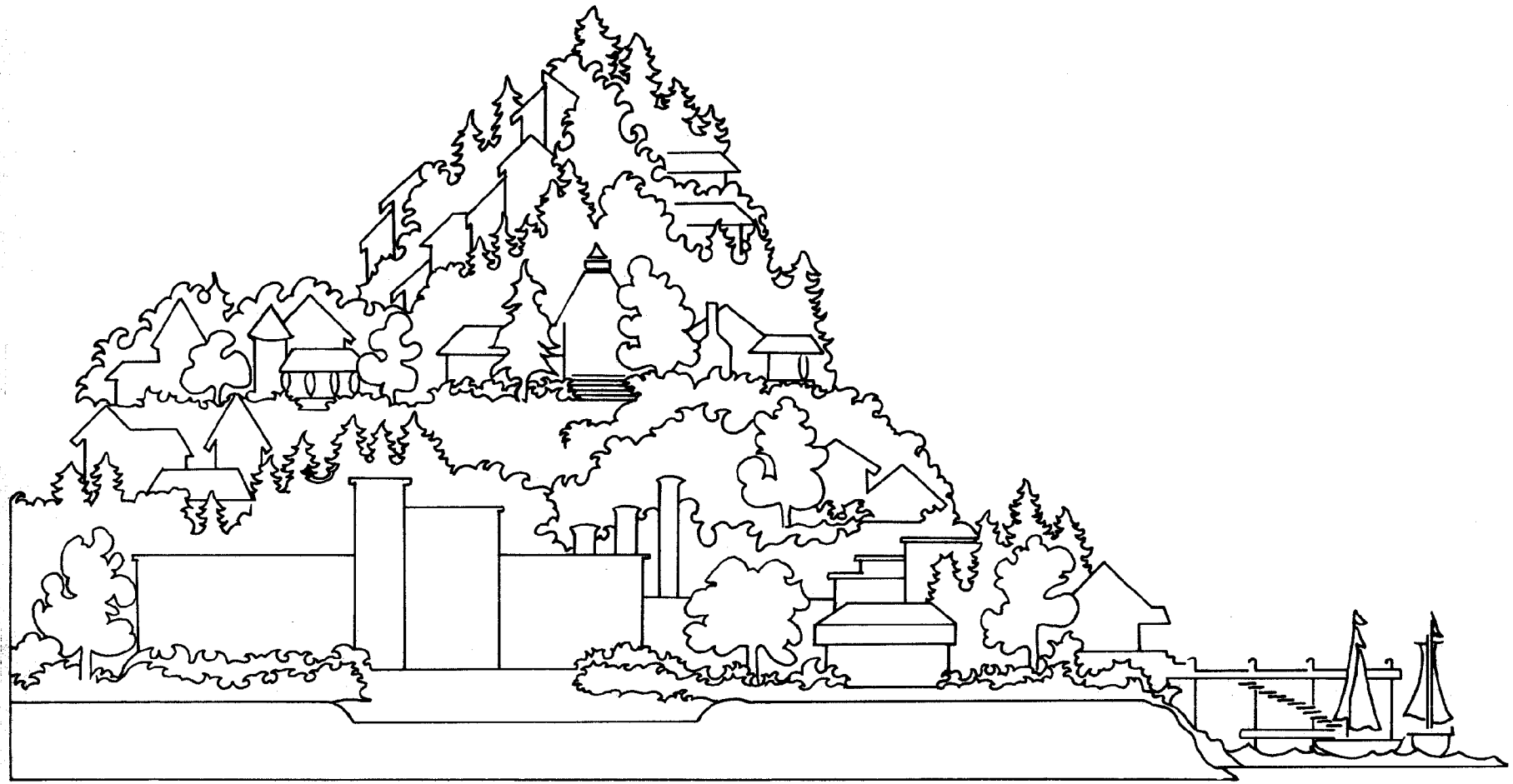
tively inexpensive, as the site has few physical constraints. The location along the highway makes the site well suited for multi-family housing.

Public Facilities: Sewer and water lines were provided to the east at the time the High School was constructed. These lines could be extended to serve new housing on this land.

Potential Constraints: The use of this land poses a difficult question to the City; which need is best met on this site, housing or recreation? As new housing is attracted to Hoquiam, recreation needs will increase. Most likely, success of the fund raising will decide the future of the site. If the proposed park plan does not become a reality, the site can still be used for housing.

Strategies: If all options to develop the site as a park are exhausted, the City should seriously consider placing the site up for sale at a fair market price to a housing developer.



Section Seven : Recommendations and Strategies

SECTION SEVEN

General Recommendations and Strategies

Options

There is no one solution that will provide new housing in Hoquiam. Because people's desires and economic capabilities differ, a wide range of housing strategies are needed, not all of which include new construction. The four options to providing housing for existing and future City residents are outlined below.

- Rehabilitation of Existing Housing

Because so much of the existing housing stock in Hoquiam is more than forty years old, regular maintenance and rehabilitation are essential to keep as many units habitable as possible. Not everyone desires or can afford a new home, thus maintaining existing housing meets a very real need of many residents. Rehabilitation is the least expensive housing option the City has, primarily because public expenditures have already been made to provide services to existing dwellings. Federal programs, such as the Department of Housing and Urban Development's (H.U.D.) H.C.D. Small Cities Block Grant Program, have been established to provide assistance to cities like Hoquiam in neighborhood rehabilitation.

- Development In Areas with Existing Services

The most logical locations for new housing are on vacant land that is served by existing public services such as sewer and water lines. Within the already developed areas of the City there are a number of vacant lots and blocks which are excellent opportunities for new housing. Section 5 identified these areas and in some cases suggested a potential use for them. Development of these "infill" parcels which could be done by any number of local builders, would be relatively inexpensive, as very little site preparation or utility expansion is necessary.

There are other areas such as Riverdale/Woodlawn, that are served by public services and would be best developed in large tracts. Such development would require extensive roadway and utility construction and a large number of home builders. It is in these areas that large, out-of-town developers and builders would be most interested.

- Renewal Development

As Section 5 indicated, there are a couple areas in the City that, because of extremely poor housing conditions, may be benefited by a renewal project.

Such a project is probably best accomplished with public financing because of the numerous ownerships and management procedures involved. Economically, a renewal development is often advantageous because it makes use of existing public services, thus lessening the need for service expansion. Federal funding is possible for such projects through H.U.D.'s Urban Development Action Grant (U.D.A.G.) program.

- Provide Public Services to New Areas

This is the most expensive and time consuming option of the four, but given continued growth, will eventually become a necessity. The most logical expansion of public services would be to the Little Hoquiam Valley, where there is at least 100 acres of buildable land. Opening up new development areas provides competition in the raw land market which will make prices more attractive to developers and eventual home buyers.

General Recommendations

In addition to the specific strategies outlined for each vacant land area in Section 5, the following general strategies should be considered as well:

Facilities Plans:

The City should develop the following public facilities and services plans to analyze the impacts of potential growth and to provide prospective developers the assurances of adequate public facilities.

- Sanitary Sewer Plan

The City currently has an engineering consultant working on the specifications of the new sewer system. From that information the City should calculate the number of hook-ups that will be available at each pump station upon completion of the system, including those portions not scheduled for improvements. The City should also begin to develop a Capital Improvement Plan (C.I.P.) for possible extension of the sewer lines into the Little Hoquiam Valley.

- Water Plan

The City should update their water plan as mandated by State law, paying particular attention to the actual capacity of the system, which may be lower than the design capacity due to system inefficiencies. The report should indicate the number of water hook-ups currently available and at full system efficiency, if different.

If the City water usage is determined to be approaching the system's capacity, a C.I.P. should be initiated for possible upgrading of the present system.

- Transportation Plan

A plan should be developed which designates streets for their ultimate design capacity. This plan should look at existing traffic patterns as well as future impacts from potential housing sites. The City should also notify the County and State of any potential impacts on their roads so they can update their plans. A C.I.P. should be initiated which outlines necessary road improvement and maintenance projects.

- City Services Plan

Working with the school district, the fire and police departments and other local agencies, the City should develop a summary of the existing services available to Hoquiam residents. This summary should provide an indication of existing levels of service and potentials for expansion. As new development occurs, the City should work closely with local agencies and service districts to provide the necessary service increases.

Ordinance Review

The City should also facilitate the regulatory process involved in housing development through revisions to the existing zoning and subdivision ordinances. The following general revisions and procedures should be considered.

- The City should encourage the use of Planned Unit Developments (P.U.D.'s) to make the best use of all buildable land, particularly in physically constrained areas.

- All necessary development plan requests including zoning and flood plain modification should be heard at one public hearing.

- Reduced road sections, particularly in physically constrained areas, with alternate methods of parking and pedestrian circulation should be encouraged.

- At the time of decision on the proposed zoning ordinance, the City should consider action on the suggested re-zoning indicated in Section 5.

- The City should take on the responsibility of obtaining background information on development proposals such as existing conditions, adjacent ownerships and impacts of public facilities.

- Development proposals should be reviewed by the Planning Commission and City Council prior to the public hearing.

The City's proposed zoning and subdivision ordinances are steps in the right direction towards assisting new housing development. In the process of approving the zoning ordinance, the City has a

good opportunity to review any sites that may be more suited for residential use than their existing use, and should consider initiating appropriate zone changes.

- Flood Plain

The City should continue their attempts to appeal the H.U.D. Flood Insurance Study, as it affects so much land within the City. If improvements to the dike system would alleviate the problem, the City should explore the feasibility of doing so.

No matter what the outcome of the Flood Insurance Study, there will be vacant land areas located within the 100 year flood plain. The City should draft a flood plain ordinance that outlines how development should occur in these areas. To provide for the use of as much vacant land as possible, the ordinance should allow development within the flood plain provided that structures are located at or above the 100 year flood elevation and that the total volume of the flood plain is not altered. This would allow portions of the flood plain to be filled providing that an equal amount was excavated to retain the necessary volume.

Federal Programs

The City should increase their efforts to secure federal funding for housing improvements and construction. H.U.D. has numerous subsidized housing programs which apply strictly to low income people, as well as programs which can provide rehabilitation and renewal funds to neighborhood areas of mixed incomes. The H.C.D. Small Cities Block Grant Program was established in 1978 to provide funds for neighborhood stabilization to communities with less than 50,000 people. The first year program was directed at helping stabilize low and moderate income neighborhoods, through housing rehabilitation in some cases. As of yet, the direction for the 1979 program year has not been established.

The other H.U.D. funds of particular interest is in the U.D.A.G. program, which was established to encourage economic development in urban areas. U.D.A.G. money can be used for housing if it is necessary to provide for economic development. The new housing required by the Kaiser employees may be eligible for U.D.A.G. funding.

The City should seek professional assistance in developing federal grant proposals for housing rehabilitation and renovation.

Marketing

To meet projected housing demands, Hoquiam should

consider attracting builders and developers from outside the immediate area. To do so, the City will have to advertise its efforts to promote new housing. The City should develop a brochure for distribution to major builders, developers and appropriate associations throughout the Northwest that includes the following items:

- amount of buildable land available for development as outlined in Section Six
- housing need and market projections included in Section Three
- local resident and housing profile in Sections Two and Three
- potential impacts of the Kaiser facility in Section Four
- number of sewer and water hook-ups available
- summary of local public services
- statement from the City of its commitment to promoting new housing

The above information will provide the background builders and developers need to acquaint themselves with a new market. Once acquainted, they can work with local realtors, bankers and contractors on the specific aspects of development, such as financing and construction. When satisfied that development is feasible, they can work with local property owners and city staff on specific development proposals.

In the appendix of this document is a list of potential builders, developers and organizations, most of whom have been contacted concerning this study. All of those contacted have shown an interest in studying the Hoquiam market further. A brochure such as the one described would give them an opportunity to see if their programs could operate successfully in the Hoquiam market.

Appendix

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POTENTIAL BUILDERS/DEVELOPERS

Home Builders Assn. of
Metropolitan Portland
3140 N.E. Broadway
Portland, Oregon
503-288-0121

Home Builders Assn. of
Washington
1501 S. Capitol Hwy.
Olympia, Washington
206-352-7800

Home Builders Assn. of
Greater Olympia
2608 Pacific Ave.
Olympia, Washington
206-352-3457

Leavitt-Nu-Pacific
10222 N.E. 1st
Bellevue, Washington
1-206-455-9696
Contact person: Don
Leavitt or Colleen Eggers

Commonwealth Properties
Amfac Mortgage Co.
2525 S.W. 3rd
Portland, Oregon
502-243-1591
Contact: Ernie Platt

General Land Co.
3202 1st St. So.
Federal Way, Washington
1-206-927-3456
Contact: Tom Rhinevault

The Polygon Corporation
300-120th Ave.
Bldg. 3 #212
Bellevue, Washington 98005
206-455-1396
Contact: Pat Carroll

The Quadrant Corporation
8364 S.W. Nimbos Ave.
Beaverton, Oregon 97005
503-646-2103
Contact: Joe Lipscomb

Robert Randall Corporation
9500 S.W. Barbur Blvd.,
Suite 300
Portland, Oregon 97219
503-234-9587
Contact: Dave Amato

Narod Development Ltd.
1672 W. 2nd Ave.
Vancouver, B.C. J6J1H5
604-736-0311
Contact: George Kropinski

Abacus Development
Suite 1009 United Air-
line Bldg.
2033 6th Ave.
Seattle, Washington
206-682-8575
Contact: H.R. Thompson

Palmer Berge Company
N.W. Const. Center #414
1200 Westlake Ave. No.
Seattle, Washington
206-284-7610
Contact: Palmer Berge

J.D.A. Enterprises
208 So. K
Aberdeen, Washington
206-532-7768

Century 21, Inc.
4547 S.W. Scholls Ferry
Road
Portland, Oregon
503-297-1494
Contact: Douglas Stevie

Aragon Corporation
P.O. Box 346
Gresham, Oregon
503-665-2919
Contact: Don E. Marthaller

Bruce Kamhoot & Assoc.
P.O. Box 222
Lake Oswego, Oregon 97034
503-635-4550
Contact: James Carden

United Homes
1220 South 356th
Federal Way, Washington
1-206-927-2700